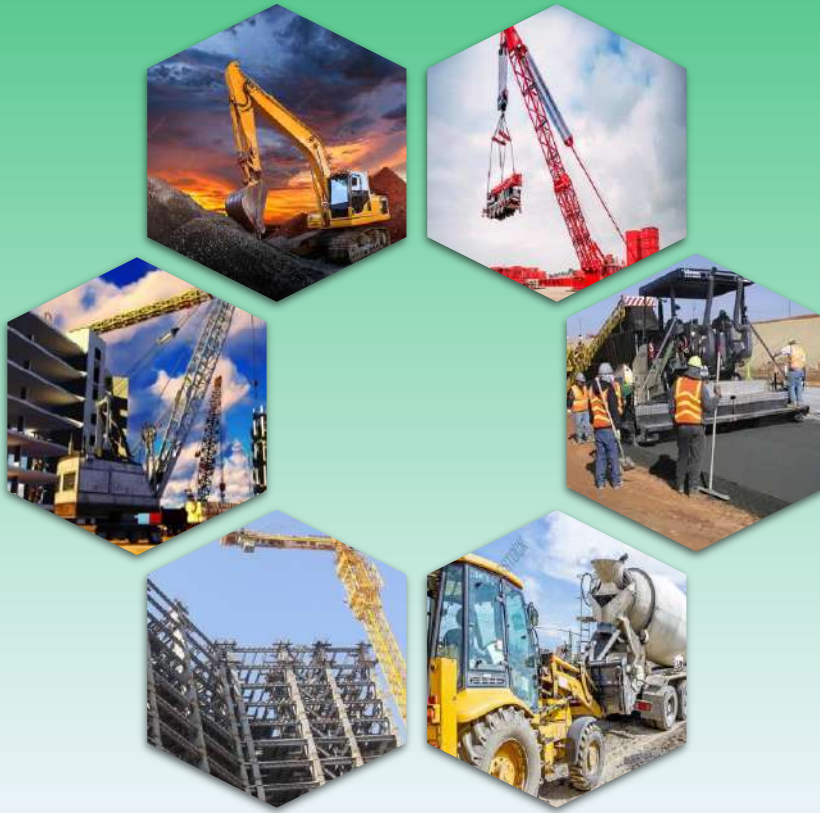




NUMALIGARH REFINERY LIMITED



MANUAL FOR PROCUREMENT OF WORKS

(Released on 07.11.2022; Revised on 16.03.2023)



**Numaligarh Refinery Limited
Numaligarh**

November 7, 2022

FOREWORD

Numaligarh Refinery Ltd. formally brought about a comprehensive Guideline for Procurement and Contract Services in 2004 after deliberations by a dedicated cross functional committee, with due consideration of views of BPCL and CVO to streamline the procedures for procurement and contractual systems in use and to help in making decisions in a laid down manner that would stand the test of any future scrutiny as a public procuring entity.

With a similar view to improving transparency in decision making in public procurement and reducing the scope for subjectivity, Department of Expenditure (DoE), in 2006, issued a set of three Manuals on Policies and Procedures for Procurement of Goods, Works and Hiring of Consultants in conformity with the General Financial Rules (GFR), 2005. Over time, the Government of India issued new instructions in the domain of public procurement like introduction of Central Public Procurement Portal (CPPP), Government e-Marketplace (GeM), preferential market access for micro and small enterprises, preference for domestic manufacturers of electronic goods, inclusion of Integrity Pact, etc. The GFR was revised comprehensively in March 2017 covering inter-alia these set of new instructions. Consequently, the Manuals of Procurement by DoE too were revised after a decade and within a month of the release of GFR 2017.

Central Vigilance Commission (CVC) have since issued various instruction on public procurement from time to time as also various other organisations like NITI Aayog, D/o Promotion of Industry & Internal Trade etc. NRL has kept abreast of these guidelines for procurement by publishing various internal notifications and hosting them on the website to supplement/ substitute the provisions of its procurement manual. Due to multiple organizations issuing guidelines, procurement executives were commonly facing problems in having a single authoritative source of reference. CVC after deliberations with DoE and with the other organisations came to the logical conclusion that it would only be appropriate if public procurement guidelines are henceforth issued from a single source viz. DoE.

Consequently, the three Manuals for Procurement (of Goods, Works and Consultancy & Other Services) were recently revised by DoE and made effective from 1st July 2022, incorporating all interim procurement guidelines issued by DoE since its last revision in 2017 as well subsuming all extant instructions from CVC and other Government bodies. Accordingly, the CVC has issued a circular No-14/07/22 dated 11.07.2022.

Vide letter ref. NRL/Vig/02 dtd. 12.07.2022, CVO-NRL submitted the advisory to the Managing Director, NRL to update/align the procurement manual/guideline of NRL in line with the updated manuals of DoE and upload the same on NRL's website.

Accordingly, a cross functional committee was constituted by MD-NRL to review and update NRL's procurement manuals in line with the latest comprehensive version issued by the DoE while incorporating organization specific provisions. The adoption of these updated policies / guidelines by NRL is expected to uphold the fundamental principles of transparency, fairness, competition, economy, efficiency and accountability.

Public Procurement is a dynamic field where policies are constantly reviewed to help Government achieve its socio-economic or strategic goals. Hence, it will be our endeavor to update this manual from time to time at periodic intervals to ensure their continued relevance for all the years to come.

I also take this opportunity to record my appreciation to the committee members involved in participating in the knowledge sharing for updating this significant document.



Indranil Mittra
(Director Finance)

DISCLAIMER:

The contents of this manual are up to date, till October 2022. The personnel involved in procurement activities are advised to check the precise current provisions and applicable instructions through any subsequent amendment(s) of this manual, as well as notifications issued by NRL management.

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Abbreviations and Acronyms

AAEC -Appreciable Adverse Effect on Competition	FTP -Full Technical Proposal
AITB -Appendix to Instructions to Bidders (1TB, also named as BOS, sometimes, see below)	GCC -General Conditions of Contract
BC (selling) -Bill for Collection Selling (Foreign Exchange) Rate	GePNIC -Government e-Procurement (System) of National Informatics Centre
BOS -Bid Data Sheet	GFR -General and Financial Rules, 2017
BG -Bank Guarantee	GOI -Government of India
BIS -Bureau of Indian Standards	GTE -Global Tender Enquiry
BOC -Bid Opening Committee	HOD -Head of the Department
BOQ -Bill of Quantities	HUF -Hindu Undivided Family
BRO -Border Roads Organisation	ICT -Information & Communications Technology
C&AG -Comptroller and Auditor General (of India)	IEM -Independent External Monitor
CA -Competent Authority	IP -Integrity Pact
CBI -Central Bureau of Investigation	ISO -International Organization for Standardization
CCI -Competition Commission of India	IT -Information Technology
CEC -Consultancy Evaluation Committee	ITB -Instructions to Bidders (may in some instance be called Instructions to Tenderers - ITT)
CIPP -Code of Integrity for Public Procurement	ITC -Instructions to Consultants
CMC -Contract Management Committee	ITJ -Indian Trade Journal
CPO -Central Purchasing Organizations	JV -Joint Venture (Consortium)
CPPP -Central Public Procurement Portal	L1 -Lowest Bidder
CPSE -Central Public Sector Enterprise, see PSU also	L2 - Second Lowest Bidder
CPWD -Central Public Works Department	L3 -Third Lowest Bidder
CV -Curriculum Vitae	LCC -Life Cycle Cost
CVC -Central Vigilance Commission	LCS -Least Cost System
CVO -Chief Vigilance Officer	LD -Liquidated Damages
DFPR -Delegation of Financial Power	LEC -Lowest Evaluated Cost
DG -Director General	LOA -Letter of Acceptance
DGS&D -Directorate General of Supplies and Disposals	LOI -Letter of Invitation
DLC -Defect Liability Certificate	LTE -Limited Tender Enquiry
DLP -Defect Liability Period	MB -Measurement Book
DoE -Department of Expenditure	MES -Military Engineering Service
DPR -Detailed Project Report	MoF -Ministry of Finance
DSC -Digital Signature Certificate	MOU -Memorandum of Understanding (of JV)
DSPE -Delhi Special Police Establishment Act, 1946	MoUD -Ministry of Urban Development
EC -Evaluated Cost	MSTC -Metal Scrap Trading Corporation
ECS -Electronic Clearing System	NGO -Non-Government Organisation
EIA -Environmental Impact Assessment	NIC -National Informatics Centre
EMD -Earnest Money Deposit	NIT -Notice Inviting Tender
EOI -Expression of Interest (Tender)	OTE -Open Tender Enquiry
EPC -Engineering, Procurement and Construction	PAN -Personal Account Number
EPF -Employee Provident Fund	PBG -Performance Bank Guarantee
ESI -Employee State Insurance	POL -Petroleum Oils and Lubricants
FA -Financial Advisor	PPD -Procurement Policy Division
FBS -Fixed Budget System	PPP -Public Private Partnership
FEMA -Foreign Exchange Management Act	PPP-MII -Public Procurement (Preference to Make in India), Order
FM -Force Majeure	PPR -Preliminary Project Report

PQB -Prequalification Bidding	SLA -Service Level Agreement
PQC -Pre-qualification Criteria	SoPP -Schedule of Procurement Powers
PSARA -Private Security Agencies Regulation Act, 2005	SOR -Schedule of Rates
PSU/ PSE -(Central) Public Sector Undertaking/ Enterprise	SSS/ STE -Single Source Selection/ Single Tender Enquiry
PWO -Public Works Organisations	STP -Simplified Technical proposal
QA -Quality Assurance	TC -Tender Committee also called Tender Purchase or Evaluation Committee (TPC/ TEC) or Tender Scrutiny Committee
QCBS -Quality and Cost Based Selection	TCO -Total Cost of Ownership
RFP -(Standard) Request for Proposals (Document)	TOC -Taking Over Certificate
RFQ -Request for Qualification	TOR -Terms of Reference
RTI -Right to Information (Act)	URDG -Uniform Rules for Demand Guarantees
SBD -Standard Bidding Document	VAT -Value Added Tax
SCC -Special Conditions of Contract	VfM -(Best) Value for Money
SD -Security Deposit	WOL -Whole of Life (Cost) or Total Cost of Ownership TCO

Procurement Glossary:

The “Procurement Glossary” section in the “Manual for Procurement of Goods” may be referred for definitions of relevant terms.

1.0 PREAMBLE

It is necessary that the following points are kept in mind while deciding upon the tenders:

- a) The Delegation of Authority to the various levels imposes commensurate responsibility and accountability.
- b) In exercise of the delegated authorities, the competent authority (ies) must observe all the laid down procedures and instructions.
- c) In deciding upon the award of contracts and / or placement of orders on contractors/ suppliers, there must be commercial prudence to ensure that, firstly, the company receives value for money, and secondly, there is fairness and equity in our dealings with Contractors / Suppliers.
- d) The fact that all transactions are, and will continue to be subject to close scrutiny, it is essential that this aspect is borne in mind and adequate records maintained to avoid problem(s) at a later date.
- e) All expenditure shall be regulated through approved capital / revenue budget.
- f) Earlier procedure notes / circulars / manuals with regard to procurement process through Commercial Department shall stand replaced with the release of this consolidated Manual for Procurement of Works. Henceforth, this manual shall be referred for all new procurement of Works.

2.0 RESPONSIBILITY FOR PROCUREMENT OF GOODS, WORKS & CONTRACT SERVICES:

The responsibility for procurement of goods, works and service contracts vests with the Commercial Department for the entire company, **except:**

- i) Crude Oil and Natural Gas.
- ii) Security arrangements (CISF / AISF / Home Guard), Agreements with Medical Services and Schools, Ad-Hoc Vehicle arrangements, Land related issues, Guest House consumables, Guest Relation expenses including hotel charges, payment of electricity and telephone bills, empanelment of travel agencies for air/rail ticket booking, legal consultants.
- iii) Procurement of services by user department for the value as per provisions of DOA.
- iv) Deposit Works through Govt. & Other agencies.
- v) Procurements made under approved DOA for HR/P&A, Marketing, Finance, CSR, Corporate Communications etc.

Though the above procurements are excluded from the responsibility of procurement by Commercial Department, the guidelines of these procurement manuals shall be followed to the extent possible.

3.0 PROCEDURE TO DEAL WITH EMERGENCIES :

In the normal course of business procedure as outlined below should be followed. However, to deal with unforeseen emergencies at the Refinery / marketing installation /depots etc. due to natural calamities and/or accidents like break down of Plant and Equipment, Fire accident, structural failures, any product leakage, major power failures, short circuits etc. which need to be attended to immediately, necessary action may be initiated by the competent authority as per provisions of the DOA.

Chapter 1: Introduction to Procurement of Works

1.1 Procurement Rules and Regulations; and this Manual

Numaligarh Refinery Limited (hereinafter referred to as “NRL”) spend a sizeable amount of their budget on procurement of goods, works and services to carry out new Projects, Developmental Activities, regular Repair and Maintenance Activities etc.

The Board of Directors has delegated powers to make arrangements for procurement of goods, works and services. These powers have to be exercised as per NRL's Delegation of Authority (DOA) and in conformity with the 'Procurement Guidelines' described below. DOA is enclosed in the “Manual for Procurement of Goods” as Annexure 1.

1.1.1 Preference to Make in India (PP-LC POLICY)

Section 1.10.3 of the “Manual for Procurement of Goods” may kindly be referred.

1.2 Amendments and Revision of this Manual

The Commercial Function shall be the nodal agency for this Manual. For any revision relating to this manual, necessary action will be initiated by Commercial Department, and approval of Committee of Functional Directors shall be obtained for adoption of the same. Revision of certain clause (if specifically mentioned, like Para 3.2.5, 4.9.1A, 6.5.2 (v), 6.10.2 (i), 7.6 (G) in the manual for works) may require approval from the Board of Directors.

Any revision of the current Govt. policies such as MSE order 2012, PP-LC (MII) policy etc. released by the Govt./MoPNG from time to time, or introduction of new policy by the Govt./MoPNG and applicable for NRL may be implemented suitably through internal circular issued by functional head of Commercial Department. No separate approval from higher authority is required in case the guidelines are adopted without any customization for NRL.

Such revisions/introductions shall be issued in the form of circulars as and when applicable, and treated as part of this manual. However, comprehensive review and revision of the procurement manuals should be made periodically, but not later than 03 years.

1.3 Applicability of this Manual

1.3.1 **Works:** This manual is applicable to procurement of ‘Works’ as defined in “Procurement Glossary”

1.3.2 **Classification of Works:** The civil works are classified into three categories: (a) Original Works (b) Minor Works and (c) Repairs Works. "Original works" means all new constructions, site preparation, additions and alterations to existing works. It also includes special repairs to newly purchased or previously abandoned buildings or structures, including remodelling or replacement. "Minor works" mean works which add capital value to existing assets but do not create new assets. "Repair works" means works undertaken to maintain building and fixtures. Expenditure on Repair Work does not add to the value of the asset and only restores the functionality of the asset. Repair Work can be further categorized as (i) Annual repairs covering routine and yearly operation and maintenance work on buildings and services (ii) Special repairs, which are undertaken as and when required, covering major repairs to existing buildings or services. Some types of the Special repairs may qualify to be categorised as 'Original Work' as mentioned earlier.

The Interpretation or any conflicts between various documents shall be governed by the following order of precedence:-

- 1) Manual for procurement of Goods, Works or Consultancy & Other Services, as applicable.
- 2) Special Conditions of Contract (SCC) and other terms and conditions of the tender.
- 3) General Purchase Conditions (GPC) / General Conditions of Contracts (GCC).

1.4 Basic Aims of Procurement - Five R's of Procurement

In every procurement, public or private, the basic aim is to achieve just the right balance between costs and requirements concerning five parameters called the five R's of procurement. The entire process of procurement (from the time that need for an item, facility or services is identified till the need is satisfied) is designed to achieve following basic aims. Although couched in jargon of procurement of Goods, it's equally applicable to procurement of Works. The term 'Right' is used here in the sense of being optimal:

- i) Right quality;
- ii) Right quantity;
- iii) Right price;
- iv) Right time and place; and
- v) Right source.

(For more details on basic aims of procurement, please refer to Chapter 1 of the Manual for Procurement of Goods)

1.5 Fundamental Principles of Public Procurement

Over and above the basic aims of procurement, the obligations of procuring authorities can be grouped into following five fundamental principles of public procurement, which all procuring authorities must abide by and be accountable for:

- i) Transparency principle;
- ii) Professionalism principle;
- iii) Broader obligations principle;

(For more details on principles of procurement, please refer to Chapter 1 of the Manual for Procurement of Goods 1).

1.6 Standards (Canons) of Financial Propriety

Public Procurement like any other expenditure in Government must conform to the Standards (also called Canons) of Financial Propriety.

"Standards of financial propriety: Every officer incurring or authorizing expenditure from public moneys should be guided by high standards of financial propriety. Every officer should also enforce financial order and strict economy and see that all relevant financial rules and regulations are observed, by his own office and by subordinate disbursing officers. Among the principles on which emphasis is generally laid are the following:-

- i) *Every officer is expected to exercise the same vigilance in respect of expenditure incurred from public moneys as a person of ordinary prudence would exercise in respect of expenditure of his own money.*
- ii) *The expenditure should not be prima facie more than the occasion demands.*
- iii) *No authority should exercise its powers of sanctioning expenditure to pass an order which will be directly or indirectly to its own advantage.*
- iv) *Expenditure from public moneys should not be incurred for the benefit of a particular person or a section of the people, unless -*
 - i) *a claim for the amount could be enforced in a Court of Law, or*
 - ii) *The expenditure is in pursuance of a recognized policy or custom.*
- v) *The amount of allowances granted to meet expenditure of a particular type should be so regulated that the allowances are not on the whole a source of profit to the recipients.*
- vi) *While discharging the duties of financial concurrence of any public expenditure, such authorities subsequent to such decision, shall not be involved in any future audit responsibilities which may create conflict of interest.*

1.7 Public Procurement Infrastructure at the Centre

i) Procurement Policy Division

Procurement Policy Division (PPD) in Department of Expenditure; Ministry of Finance has been created to encourage uniformity and harmonisation in public procurement processes by setting guidelines, dissemination of best practices, providing guidance, oversight and capacity building and issuing of procurement manuals. However, Centralisation of procurement or involvement in procurement processes is not the intended purpose of creation of PPD.

ii) Central Public Procurement Portal

Central Public Procurement Portal (CPPP) has been designed, developed and hosted by National Informatics Centre (NIC, Ministry of Electronics & Information Technology) in association with Dept. of Expenditure to ensure transparency in the public procurement process. The primary objective of the Central Public Procurement portal is to provide a single point access to the information on procurements made across various Ministries and the Departments. The CPPP has e-publishing and e-procurement modules. It is mandatory for all Ministries/ Departments of the Central Government, Central Public Sector Enterprises (CPSEs) and Autonomous and Statutory Bodies to publish on the CPPP all their tender enquiries and information about the resulting contracts.

iii) Government e-Marketplace (GeM)

To ensure better transparency and higher efficiency an online Government e- Marketplace (GeM- an e-commerce marketplace) has been developed for common use goods and services. In GeM product or services are offered by a number of eligible sellers and all the eligible buyers can view/ compare all the product/ services and select the product/ services offered by any one of the seller. In general, because online marketplaces aggregate product/ services from a wide array of providers, selection is usually wider, availability is higher, and prices are more competitive than in vendor-specific online retail stores. The procurement process on GeM is online and electronic -

end to end from placement of supply order to payment to suppliers. The registration of suppliers on GeM is online and automatic based on ID authentication etc. The procuring authorities have to assess the reasonability of rates. Buyer's transactions are processed by the GeM portal and then product/ services are delivered and fulfilled directly by the participating sellers. Tools of reverse bidding and e-auction are also available which can be utilised for the procurement of bulk quantities. The Procurement of Goods and Services by Ministries or Departments are mandatory for Goods or Services available on GeM. Ministries/ Departments are expected to work with GeM in making available on the GeM platform as many products/ services by making available such Goods and Services which are regularly procured by them.

Currently functionality for floating tenders for works contracts is not available in GeM. When the functionality for works contracts is made available by GeM, tendering for works contracts through GeM will be adopted suitably.

1.8 The Law of Agency - applicable to Procurement of Works

In addition to Laws which are applicable to Public Procurement of Works mentioned above, the Law of Agency (Section 182 to section 238, of the Indian Contract Act, 1872) implies that Contractor would be an Agent of the Procuring Entity, to execute the works on its behalf. Hence, there exists a Principal/ Employer and Agent relationship between Procuring Entity and such Contractor. As per this law, the employer is vicariously legally and financially liable for actions of its Agents. For example, a violation of certain labour laws in deputing staff for Procuring Entity's contract by the agents may render the Procuring Entity legally and financially liable for such violations, under certain circumstances. The Procuring Entities need to be aware of such eventualities. Standard Bidding Documents should take care of this aspect.

1.9 The Basic Principles of undertaking works:

- i) No new works should be sanctioned without
 - i) Careful assessment of the assets or facilities already available and time and cost required to complete the new works.
 - ii) A concept plan/ preliminary drawing have been approved by the Authority competent to accord sanction. While designing projects to the extent possible, principles of Life Cycle Costing may also be considered;
- ii) As budgetary resources are limited and granted on annual basis, adequate provisions should be ensured for works and services already in progress before new works are undertaken.
- iii) No project or work will be split up to bring it within the sanctioning powers of a lower authority.
- iv) For purpose of approval and sanctions, a group of works which forms one project, shall be considered as one work. The approval or sanction of the higher authority for such a project which consists of such a group of work should not be circumvented by resorting to approval of individual works using the powers of approval or sanction of a lower authority. If the component parts of a project are mutually independent of each other and are not dependent on the execution of one or more such component parts, each such part should be treated as a separate project. In case the functioning of a project is dependent on the execution of one or more other projects, the entire group of such projects should be taken as a single scheme/ project and provision made accordingly. If however, a scheme consists of revenue component, capital expenditure and loan content, etc. the provision for which is required to be exhibited separately under respective Heads of Account, there is no objection to the provision being made in the relevant Heads of Account;

but the authorities concerned should ensure that the sanction of the Competent Authority is obtained for the integrated scheme as a whole depending on the total cost of the scheme. It will not be permissible in such cases to split up a scheme treating each part as a scheme in order to avoid the sanction of a higher authority.

- v) Any anticipated or actual savings from a sanctioned estimate for a definite project, shall not, without special authorisation, be applied to carry out additional work not contemplated in the original project.
- vi) Any development of a project considered necessary while a work is in progress, which is not contingent on the execution of work first sanctioned, shall have to be covered by a supplementary estimate.
- vii) The construction period and sanctioned cost stipulated in the sanction of Project will not be exceeded as far as possible.
- viii) As far as possible, empowered project teams for all large value projects shall be put in place and these teams should be tasked only with project execution and not given other operational duties.
- ix) The competent authority should be kept informed of the physical and financial progress of the work till their completion through regular periodical reports.
- x) No works shall be commenced or liability incurred in connection with it until:-
 - i) Feasibility Study Report/ Preliminary Project Report (PPR) has been prepared in case of works of substantial value;
 - ii) A proper Detailed Project Report (DPR) has been prepared by a competent agency;
 - iii) Administrative approval (A/A) has been obtained from the appropriate authority, in each case;
 - iv) Expenditure Sanction (E/S) to incur expenditure has been obtained from the competent authority;
 - v) Technical approval has been obtained of the detailed and coordinated design of all the Architectural, Civil, Electrical, Mechanical, Horticulture and any other services included in the scope of the sanction and of the Detailed Cost Estimates containing the detailed specifications and quantities of various items prepared on the basis of the schedule of rates.
 - vi) Funds to cover the work, which will be executed, at least during the current year, have been provided by competent authority.
 - vii) Tenders have been invited and processed in accordance with rules.
 - viii) Award of work and execution of Contract Agreement;
 - ix) A work order has been issued.
- x) Time taken in grant of statutory and other clearances also contributes to the time and cost overrun in public projects. These clearances are required to achieve specific objectives

like concern for the environment, aviation safety, preservation of national heritage, conservation of forest and wildlife etc. Public Authorities/ Project Executing Authorities should plan for obtaining all necessary clearances quickly and proper efforts be made for the same, which also should be duly recorded. The progress regarding follow up of obtaining the statutory clearances should be closely monitored.

xi) The process of land acquisition shall be started well ahead and completed entirely, or at least substantially, before the work is started. Availability of auxiliary services has been ensured - like roads/access, power, water, solid & liquid waste disposal system, street lighting and other civic services shall be ensured. It is desirable to have 100% of the required land in possession before award of contract; however, it may not always be possible to have the entire land due to prevailing circumstances. Also, it may not be prudent to put the entire process of award of contract on hold for want of the remaining portion of land, which in the assessment of public authority or the project executing authority, could possibly be acquired in a targeted manner after award of the contract, without affecting progress. Minimum necessary encumbrance free land should be available before award of contract. The minimum may be determined based on the circumstances of each case or general guidelines, issued by the concerned authorities. Such land, non-availability of which, will prevent essential components of work from execution, should be insisted upon. Project Executing Authorities should plan for acquiring balance land quickly and proper efforts be made for the same, which also should be duly recorded. The progress regarding land acquisition should be closely monitored.

1.10 Processing of Works

Following are the stages in planning, sanctioning and execution of work.

- i) Perspective Planning for works;
- ii) Preparation of Preliminary Project Report (PPR) or Rough Cost Estimate;
- iii) Acceptance of necessity and issue of in-Principle Approval;
- iv) Preparation of Detailed Project Report (DPR) or Preliminary Estimate (PE);
- v) Administrative Approval and Expenditure Sanction (A/A&E/S) or 'Go ahead' Approval;
- vi) Detailed Design, Estimate and Technical Sanction;
- vii) Appropriation/ re-appropriation of funds;
- viii) Preparation of Bid documents, Publication, Receipt and Opening of Bids;
- ix) Evaluation of Bids and Award of Work;
- x) Execution and Monitoring of works and Quality Assurance.

1.11 Administrative Control and Powers to Sanction

The powers delegated to various subordinate authorities to accord sanction of funds, administrative approval, sanction of expenditure for works are regulated by the Delegation of Authority updated in 2022 and subsequent amendment(s), if any (hereinafter referred to as “DOA”).

Chapter 2: Preparation of Estimates

2.1 Perspective Planning for Works

Executing Department shall prepare a perspective plan for undertaking different types of works. There shall also be a provision for annual review of the plan for making modifications, if any.

2.2 Preparation of Preliminary Project Report (PPR) or Rough Cost Estimate

2.2.1 A preliminary project report (PPR) or Rough Cost Estimate shall be prepared based on Land, Site Details, functional and space requirements (or Various Facilities, Special Requirements/ Features and Broad Specifications for specialised Equipment and Plants), Layout Plans etc, with the technical details/ documents.

2.2.2 The preliminary project report shall provide the following details:

- i) Background of the work/ project justifying the need for the work
- ii) Details of scope of the project / work.
- iii) Exclusions (if any) - This will cover part of the work, which is not included in this particular project estimate.
- iv) Availability of land - There should be a clear indication about the availability of land required for completion of whole project. The land shall be made available free of all encumbrances.
- v) Availability of auxiliary services - like roads, power, water, solid & liquid waste disposal system, street lighting and other civic services shall be ensured.
- vi) Reference to Concept Plans/ Preliminary Drawings, if any and their acceptance
 - This shall indicate the details of Concept Plans/ Preliminary Drawings prepared and their approval by the requisitioning authority.
- vii) Rough Cost Estimate: NRL may carefully assess alternative technological options, their area requirements and obtain Rough Cost on the basis of prevailing Plinth Area rates (or any other reliable basis) without preparation of drawings to enable the competent authority to accord in principle approval.
- viii) If relevant, Cost benefits analysis of the project, including evaluation of options for cost sharing/ recovery (user charges) for infrastructure/ services. Principles of Life Cycle Cost may also be considered, to the extent feasible.
- ix) Cash flow: This will show year-wise requirement.
- x) Source & availability of funds - The manner of transferring the fund to the executing agency to be spelt out.
- xi) Any other relevant documents.
- xii) A presentation on the findings of the feasibility study/ PPR may be made by a team

(which may include engineers/ consultants/ outside experts, finance officers etc.) before the competent authority.

2.3 Acceptance of necessity and issue of in-Principle Approval

Approval of competent authority for accepting the necessity of works and its Scope may be sought on the basis of PPR or Rough Cost Estimate.

2.4 Preparation of Detailed Project Report (DPR) /Preliminary Estimates (PE)

2.4.1 On receipt of in-Principle Approval of the project, the Detailed Project Report be prepared. The DPR should provide a level playing field to the bidders and should ensure as far as feasible, the widest possible competition:

- i) Reference to Concept plan/ preliminary drawings and their acceptance - This shall indicate the details of Concept plan/ preliminary drawings prepared and their approval by the requisitioning authority;
- ii) Details of scope of the project indicating clearly the list of Engineering Services (Mechanical/ Electrical/ Plumbing) as well as Operation and Maintenance included or not included in the DPR/PE;
- iii) Preliminary estimated cost - This will also include the expected escalation for the period of completion of the project. Cash flow projection should show year-wise requirement. While designing the projects etc, if and to the extent possible, principles of Life Cycle Cost may also be considered;
- iv) Time of the completion
- v) Details of land required along with land plan schedule to implement timely land acquisition procedures;
- vi) Environmental impact assessment (EIA) of the project and approval thereof, wherever applicable;
- vii) Social Impact Assessment and Resettlement and Rehabilitation: Social Impact Assessment needs to be done, based on baseline socio-economic survey and census survey data, to identify the Project Affected People (PAPs). A Resettlement and Rehabilitation Plan should be prepared for the PAPs in accordance with the LARR Act 2013 or National Policy on Resettlement and Rehabilitation (NPRR), and State Governments framework of resettlement policies and other social safeguard policies designed to protect the rights of the affected persons and communities as applicable;
- viii) List of Approval of Statutory Bodies required;
- ix) Annual plan allocation and cash flow;
- x) Systems to be adopted for project monitoring;
- xi) Works accounting system;

- xii) Quality assurance system/ mechanism;
- xiii) Bidding Systems - Single, two parts, pre-qualification, Post- qualification.

2.4.2 Major reasons for the problem in works contracts (in particular relating to construction of roads, highways, ports, runways, dams etc. on item-rate or percentage rate basis) is the outsourcing of preparation of Detailed Project Reports to consultants without sufficient relevant experience or giving them sufficient time to do so. It is therefore essential to stipulate & ensure successful project design/ supervision experience while selecting consultants, especially for large works contracts. DPR in such contracts is required to be based on proper ground investigation, and the Consultant be directed to exercise such due diligence.

2.4.3 Proper field surveys and investigations of ground conditions are critical in preparation of a reliable DPR. Providing scientifically valid data to bidders will depend on the quality of the investigations done by the DPR consultant. As a corollary, the executing department must insist on a qualified team of engineers with experience for carrying out DPR studies. It is also essential that the executing department insists that the Consultant offers them technology options at the early stage of preparation of the DPR, so that a cost-efficient choice may be made using principles of Life Cycle Costing. In case the deviations between actual ground situation and the situation recorded in such DPR results in significant cost and time over-runs, the engineer, while doing valuation of variations must bring to notice the differences and the executing department may consider stringent action against the consultant who has prepared such DPRs, including debarment from future consultancy contracts, after following due procedure. Such clauses may be included in the contracts for preparation of DPR. Wherever consultants are appointed for preparation of DPR, field units should also be associated with the process. The inputs from these field units can be useful in proposing best solutions for design and execution of the work as they are the custodian of legacy data, which may not be available with the consultants, as they may not be operating regularly in that geographical region.

2.5 Administrative Approval and Expenditure Sanction (A/A and E/S)

Administrative approval and Expenditure Sanction (A/A and E/S) will be accorded to the execution of work by the competent authority after due examination of Detailed Project Report and Preliminary estimates. Post Sanction changes in scope and specification lead to delay, loss of quality and contractual penalties therefore such A/A and E/S shall be accorded after carefully assessing their requirements. The estimates framed by a consultant may be modified for such sanction only with due concurrence of NRL.

The sanction order should contain scope of work, estimated cost, and time schedule for completion of work and funding sources along with their share.

2.6 Detailed Designs, Detailed Estimates and Technical Sanction

Except where the work is to be undertaken in the EPC(Turnkey) mode, on receipt of sanction of the project, based on DPR or PE and assurance of funds, Detailed Cost Estimates containing the detailed specifications and quantities of various items prepared on the basis of the schedule of rates so as to ensure that proposals are structurally sound and that the estimates are accurately calculated based on adequate data.

Architectural and structural drawings: Architectural and structural drawings (fit for construction) are

among the core requirements for projects. Finalization of these drawings at the earliest, preferably at the time of preparation of the cost estimate itself, can help to determine quantities of various items of the work. Adverse consequences of not preparing these drawings before invitation of tenders may manifest in the form of delay in execution of the work and deviations in quantities of the items of work. Hence, approved architectural and structural drawings should be available before invitation of tenders. Fit for construction (sometimes called Good for construction) drawings means the architectural and structural drawings approved by the project executing authority as well as by the authority governing the extant rules/ laws, including byelaws, such as local authorities.

To promote more environment friendliness and decrease of carbon footprint, the following are to be complied with in all construction work of NRL.

1. Minimize use of OPC cement (limited only to specific areas where its use is a technical necessity) by replacing with PPC cement.
2. Ban in use of burnt clay bricks by replacing with AAC and such other alternative bricks/blocks.
3. Discontinue use of wood as building materials by replacing with Aluminium/UPVC/Steel etc. as applicable.

2.7 Appropriation of funds

Before taking up the execution of work it shall be ensured that proper funds are available to meet out the expenditure on the work. It should also be emphasized that the DPR consultant is able to provide realistic year wise requirement of funds.

Appropriate WBS / Cost Centre having required fund has to be used in all POs. No PO should be issued with “Unknown” account assignment.

Works are procured against Cost Centre (K) and Project (P) and procurement budget is required during creation of PR and PO. Cost is booked in GL as soon as SES (Service Entry Sheet) is made and accepted in system.

For ARCs (outline agreement) adequate fund will be required only at the time of issuing Release Order.

- For revenue item procurement where budget is expected to be consumed across financial years, detailed procedure for “Control over release of Commitment Budget” to be referred.

2.8 Reference Documents used in preparation of Estimates

For preparation of estimates and during execution of work following reference documents are used. These may be separate for different regions, various types of works - Building, Electrical and Mechanical.

- i) **Plinth Area Rates** which provide a quick but fairly accurate method of estimation of cost of buildings (e.g. CPWD DPAR- Delhi Plinth Area Rates).
- ii) **Schedule of Rates** for each kind of work commonly executed to facilitate the preparation of **estimates**, as also to serve as a guide in settling rates in connection with contract agreements, maintained up-to-date (e.g. CPWD DSR - Delhi Schedule of Rates).

Endeavour may be made to enlarge the base of the 'Schedule of Rates' published by various organizations to bring a maximum number of items under its ambit. For non-scheduled items, rates may be finalized by a committee constituted for the purpose.

- iii) **Analysis of Rates** by taking market rates of labour, materials, cartage etc and their **quantities** for each kind of work commonly executed (e.g. CPWD Analysis of Rates)
- iv) **Specifications** describing inputs, processes, tests and mode of measurement for each kind of work commonly executed (e.g. CPWD Specifications)

Further relevant sections in the Manuals for Procurement of “Goods” and/or “Consultancy & Other Services” may be referred for preparation of estimates, wherever deemed relevant.

2.9 Procurement Planning

An Annual Procurement Plan shall be prepared a summarized annual procurement plan of goods & services shall be uploaded in NRL website within 30 (thirty) days of Budget approval (BE).

2.10 Estimation for Reimbursement Items

The PR comprise of the SOR of the activities against which the agency has to quote its bid price and perform them as per the terms and conditions of the contract. Normally bidder has to quote for all the items of the SOR.

But in certain contracts, items like PF, ESI, Overtime, Shift/Height Allowance, Safety Items, PPE, Toll Fee, Travel Expenses, Accommodation, Statutory Charges etc. are separately kept in the contracts as “reimbursable items”. These items are kept as ‘SOR items not to be quoted by the bidder’. Contractor has to perform these activities and get reimbursed as per terms & conditions of the contract.

Provision for reimbursement of actual outgo from the contractor is kept, and payment is released on submission of documentary evidence. The rates for reimbursement shall be duly verified for reasonableness by the EIC before certification for payment. This is done to keep such items outside the ‘SOR items to be quoted by bidders’ as a measure to ensure compliance of statutory requirements, quality standards and uniformity.

For estimation of such “reimbursement items” a standard practice should be followed across all departments as far as possible, to ensure meeting the quality norms at uniform rate.

Treatment of “REIMBURSEMENT ITEMS” in various stages of procurement, shall be as follows:-

- a) **PR Estimate:** The PR estimate should be inclusive of the reimbursable amount, which is to be shown separately.
- b) **Bidders’ PQC:** The estimated cost for determination of PQC shall be the total estimated cost including ‘reimbursable items’ as well as ‘SOR items to be quoted by bidders’ (excluding GST).
- c) **EMD value limit:** The estimated cost for determination of EMD shall be the total estimated cost including ‘reimbursable items’ as well as ‘SOR items to be quoted by bidders’ (excluding GST).

- d) **TEC Approval:** TEC approval should be based on total financial outgo i.e., including any 'reimbursable items' and including all taxes.
- e) **Contract Value:** The contract value shall be the total awarded value of items, excluding any provision for 'reimbursement items'. Provision for 'reimbursement items' shall be separately mentioned. GST rate shall be separately mentioned.
- f) **Security Deposit / Performance Guarantee:** Security deposit shall be applicable on contract value excluding reimbursement items.
- g) **Job Completion Certificate:** The job completion certificate should be issued for total value of works executed, including any provision for 'reimbursement items'. Executed basic value and executed 'reimbursable items' shall be separately mentioned. (All values excluding GST).
- h) **Contract Variation:** The variation amount and percentage for the purpose of determining approving authority for variation of contract value would be based on the final executed value including any "reimbursement items" but excluding "changes due to inbuilt escalation/variation clause". The base amount shall be the awarded order value based on originally approved TEC. In case of clear original tender provisions for extension/enhancement in AMC/ARC (for 1+1 years, or 2+1 years etc.), the base value shall be the total awarded order value including extension/enhancement. However, all other variations such as extra item, additional qty., increase/decrease in man-days, etc. shall be treated as variation in contract value. Further, authority for approval for final executed contract value should be based on total financial outgo including all taxes as per DOA.
- i) **Liquidated Damages / Price reduction for delay:** LD / PRC shall be applicable on contract value excluding reimbursement items.

2.11 Preparation of Estimates for works other than Mega Projects

For ascertaining the reasonableness of the tender, detailed estimates of cost of each job to be carried out on contract will, as a rule, be made before the tender enquiries are floated. If, in particular cases, estimates cannot be made meaningfully, full reason should be recorded.

Estimates should be realistic and take into consideration all relevant factors viz. Soil / site condition for foundations etc. As far as possible estimates should be prepared using approved 'Schedules of Rates'. Where approved 'Schedule of Rates' is not in existence; estimates should be based on Market Price/Statutory requirements of the various Cost Elements such as labour, materials, and equipment prevailing at the concerned location.

In arriving at the Estimated Rates, the following should be considered:

- I. Labour: Approximate area / volume / quantity that can reasonably be covered by appropriate craftsman during normal working of 8 hours/shift wherever possible.
- II. Norms / parameters for consumption according to area / volume/unit as applicable to items like cement, steel, paint etc.
- III. While preparing the estimates where there are no drawings, the basis on which the material quantity / cost is estimated should be indicated clearly. The rate for costing

the material will normally be based on prevailing Market Rates obtained from Procurement Department if available. If it is from other sources e.g. CPWD Schedule of Rates and quantities, the same should be indicated.

- IV. The usage of company's resources should be taken in to account while preparing the estimate. Free materials issued to the contractor should be quantified.
- V. Estimate Rates should inter-alia consider specifically basic price, quantity, fabrication charges, third party inspection fees, customs/excise duty, packing, handling / forwarding and Transport charges, GST other Statutory levies, Installation / Erection, Testing and Commissioning Charges, Statutory Testing/License Fees, Contingencies etc. as appropriate. It should be comprehensive covering all the relative elements, so as to be meaningful and effective as a guideline.

Detailed estimates need not be made for jobs estimated to cost up to Rs.1,00,000/-

All estimates prepared by User function, including those prepared by Consultants / Architects shall be scrutinized as appropriate and approval of competent authority shall be obtained as per DOA.

All additional and supplementary information required shall be provided or attached as a separate annexure. All signature shall have the name, designation as well as the date of such signature.

Approved estimates are to be treated as strictly confidential and retained securely, without disclosing it to any third party. However, certain approved rates like NRL approved manpower rates, NRL approved SOR rates etc. are allowed to be displayed in tenders (wherever required), as per approval of CFD / policy in vogue at the time of issuance of tender.

To facilitate comparison and ascertaining reasonableness of quotes obtained, estimates prepared should be brought out in the TEC Note.

2.12 Initiation of Procurement of Works:

The concerned user departments such as, Operations, Maintenance, HR, Township & Estates etc. will do initiation for procurement which are to be executed, by creating the Purchase Requisitions (PRs) through Aarohan system and getting the same released by the Competent Authority after ascertaining that there is requirement of procurement of such works.

To the extent practicable, planning for procurement and contracts should be done on an integrated basis, should be adequate and effective, so as to keep the Work/Purchase Orders / Contracts to the minimum number.

Should Commercial Department feel that any of the PRs received by them could be executed by Company's own resources / skills and available ARCs, they may refer it back to User Department for review (with their reasons) before processing the said PR.

The PR shall contain, inter alia, the following information:

- a) Name of work
- b) Justification of procurement

- c) Pre-Qualification Criteria with definition of “Similar Works”.
- d) Scope of work* (as a part of Special Terms & Conditions of Contract)
- e) Any special requirements (SCC)
- f) Details of services required in terms of time and quality
- g) The modality of determining the quantity of work executed in the case of unit rates called for e.g. supply, fabrication and erection of tanks, structural steel etc
- h) The modality of determining the quantities of work executed in the case of unit rates contracts for fabrication and erection of material supplied by the Company and accountability of the Contractor for any difference between the quantity of material issued by the Company to the Contractor and the quantity of work as determined for purpose of payment at the unit rates called for
- i) Any special requirements
- j) Estimated cost (*may kindly refer Chapter 2*)
- k) Material / Equipment to be supplied by the Contractor.
- l) Material / Equipment to be supplied by the Company (whether “chargeable” or “free issue” basis; Ex- Warehouse or other specified place or places)
- m) Details of completion time required
- n) Details of work area / location
- o) Warranty / Defect Liability Requirements
- p) Payment terms
- q) Budget Number: WBS / Cost Centre / GL
- r) Under whose supervision (EIC) the work is to be carried out.
- s) Reference of last order, if any

*Note: * Scope of work once tendered and if required to be changed subsequently, then necessary intimation/corrigendum should be published for information of all bidders and reasonable time should be allowed for submission of bids.*

Where the jobs involve usage of equipment, which forms major part of the total cost, the company's equipment should be used, subject to availability. The indenting dept. should indicate whether such usage will be on a “free issue” basis or at cost as per procedure.

Chapter 3: Agency for Procurement; Types of Contract, Bidding Systems and Modes of Procurement

3.1 Agency for Procurement

All procurement shall be done by NRL. NRL may engage EPCM/PMC consultants to assist in project execution related procurement process depending upon the requirement.

DEPOSIT WORKS:

In certain cases it may be necessary to execute some work on behalf of other organisations at the specific request of such organisations. Such works are termed as “Deposit Works”. Following are the guidelines in respect of deposit works:

- i) Where work is executed on behalf of other organisations, all formalities required for execution of the work such as administrative approval, technical sanction, tendering etc. shall be applicable as per rules and procedures relating to the Company's Work.
- ii) Before the expenditure on any work is incurred or any commitments made, the estimates and designs etc. shall be supplied to the organisation on whose behalf such work is to be carried out and their approval shall be obtained.
- iii) The organisation shall be asked to deposit full amount of the estimates in advance and no interest shall be payable on such deposit. Where ever required with due justification, progressive advance can also be agreed. During execution, if it is noticed that at any stage the expenditure is likely to exceed the amount deposited, the organisation shall be asked to deposit the excess amount forthwith. This condition shall be made clear to the organisation at the initial stages.
- iv) Provision shall be made in the estimate to cover up the departmental expenses and supervision charges at the rate of 17½ per cent (overhead 15% and supervision 2.5%) and the consent from the organisation for bearing such supervision charges shall be obtained. In case of Railways, the percentage of departmental supervision charges shall be levied on a reciprocal basis.
- v) Normally no responsibility shall be undertaken for any increase in the cost or damages to work during its execution or compensation for non-completion of work within the stipulated time.
- vi) The terms and conditions under which such deposit work is undertaken shall be in writing and wherever necessary a proper agreement should be drawn up and executed under legal advice.

3.2 Types of Contract

There are different basis for linking payments to the performance of Contract (called types of contracts). Bids are called and evaluated based on the type of contract. The choice of the type of

contract should be based on Value-for-Money (VfM) with due regard to the nature of Work. Adoption of an inappropriate type of contract could lead to a situation of lack of competition, contractual disputes and non-performance/ failure of the contract. Standard forms for all the types of contract may be used for calling the tenders. Each type of contract is described briefly in subsequent paras, and criteria are suggested for their adoption. Mostly used types of contracts are:

3.2.1 Lump sum (Fixed Price) Contract

- i) This form is used for work in which contractors are required to quote a lump sum fixed price figure for completing the works in accordance with the given designs, specifications and functional requirements. Bidder's price is deemed to include all elements of cost - no arithmetical correction or price adjustments are allowed during evaluation and execution. Lump sum contracts are easy to administer because it is a fixed price for a fixed scope and payments are linked to clearly specified outputs/ milestones.
- ii) There may be tendency for the Contractor to cut corners on quality and scope of work by saving on resources employed. Disputes may arise due to different possible interpretations of quality and scope of work. The contract should include provision for evaluation of quality and scope of work and certificate for its acceptability may be recorded.
- iii) As time is not linked to the payment, there may be tendency for the Contractor to save on deployment of resources which may result in time-over-run. While the payments are not linked to time, the assignment should be monitored per month to ensure that the progress of work per month is in line with planned and estimated time-line.
- iv) Lump sum service contracts should be used mainly for assignments in which the quality, scope and the timing of the Work are clearly defined. Lump sum contracts may be used where the Works can be defined in their full physical and qualitative characteristics and risk for change in quantity or specification, and unforeseen difficulties and site conditions (for example, hidden foundation problems) are minimal. Thus is suitable for stereotype/ repetitive residential buildings or other structures for which standard drawings are normally available. It is also suitable for minor bridge works, chimneys, bins/ silos, overhead tanks, etc. whether on Department's design or that of the contractor. In the latter case, the Department shall spell out the requirements in detail to enable the contractor to prepare his designs and drawings accordingly, and submit them for check and approval before construction.
- v) A Schedule of Rates (SOR) may still be specified in order to regulate the amounts to be added to or deducted from the fixed sum on account of addition and alterations to drawings, designs and specifications not covered by the contract.
- vi) The contractor shall be paid from time to time as per the schedule specified in the contract or the full amount on completion of the work. ~~¶~~ The concept of priced "activity schedules" may be used, to enable payments to be made on the basis of percentage completion of each activity. The billing schedule shall commensurate with the actual work done, and the risk of front-loading strictly guarded against.

- vii) Detailed measurements of work done in a lump sum contract are not required to be recorded, except in respect of additions and omissions. No reference is made in the contract to the departmental estimate of the work, prevailing SOR or the quantities of work to be done. Payment of additions and omissions is regulated by prevailing SOR as agreed upon while approving the tender or the rates.

3.2.2 Item rate (Unit Rate) Contract

- i) For item rate tenders, contractors are required to quote rate for each individual items of work on the basis of Bill of quantities (BOQ) provided in the Bid Documents. Reasonable variations in quantities can be allowed during the execution in terms of the contract. This is the most commonly used contract type for civil works.
- ii) The payment is made at the rate set out in the contract for the measured quantity within prescribed range [usually+/- 15 (fifteen) percent per item] of the estimated quantity of the initial BOQ.
- iii) This type of contract is suitable for all types of major works such as buildings, bridges, culverts, roads, sewer lines, and carries the least risk of uncertainty for the parties.
- iv) Specifications, design, drawings and contract conditions (including availability of land, forest clearance, social and environmental impact assessment, where applicable) have to be critically appraised before the initiation of procurement process, in order to minimise the incidence of internal inconsistencies, variations, and situation of claims/ disputes or contract failure.

3.2.3 Percentage Rate Contract

- i) For percentage rate contract, the contractors are required to quote rate as overall percentage above or below the total estimated cost (i.e., against displayed estimates).
- ii) This type of contract works best when the work does not involve major design process and directions, and simple drawings are sufficient for execution. It saves on the time and effort of detailed design before the procurement process. This type of tender can be used in respect of small and routine types of original works for which estimates can be made based on available schedule of rates and all repair works e.g. levelling and development works including such works as storm water drainage, water supply and sewer lines etc.

As per prevailing practice of NRL, such schedule of rates, may be prepared/adopted based on available standards (like CPWD DSR, APWD SOR etc.), applying suitable factors/indices and with specified validity period of the rates.

Please also refer section “9.4.6 Manpower Oriented Contracts” in the “Manual for Procurement of Consultancy & Other Services” on display of wage rates to obtain

percentage rates.

- iii) Orders for percentage rate contracts shall be prepared at the estimated rates by adding or subtracting the percentage excess or less on individual items. The payment is made for the measured quantity. Contract provisions are made to determine the price of the items not included in SOR. In the absence of a standard schedule of rates, a project-specific schedule of items and their rates is drawn.

3.2.4 Annual Rate Contracts

ARCs may be resorted to, where it is considered desirable to have more than one Supplier/Contractor to ensure adequate supplies at specified intervals or completion of works on time.

- i) Method of Arriving at the SORs for ARC's:
 - The Schedule of rates for such repetitive jobs should be finalized based on 2 year usage trend or projected requirement the user function will work out quantity of item required per category of job and forward it to Commercial Dept along with Special Terms & Conditions, if any are required.
 - Separate ARCs may be used for each category: Civil/Electrical/ Mechanical/ Painting/Plumbing etc
 - CPWD/PWD Schedule of Rates can be adopted with advantage, as required.
- ii) Commercial Dept. may consolidate all the requirements per category or group them appropriately per category and float the tender with the Rate/Unit and Amount blanked out.
- iii) The NIT should clearly indicate that the job will be awarded to three parties only i.e. L 1, L2 & L3 in the proportion of (say) 50:30:20 or two parties in the proportion of (say) 70:30.
- iv) On receipt of the tenders Commercial Dept will:
 - Compute the data and arrive at the aggregate total of all the items taken together per Bidder
 - Arrive at L1, L2, and L3 based on the aggregate total.
 - Taking the quotes of the above three compute the item wise Lowest Rate (referring to in-house estimates) and call for negotiations to arrive at (as far as practicable) a common workable rate, making it clear the job will be distributed on 70: 20: 10 ratio to L1, L2 & L3 as arrived at step 2 above.
- v) While inviting the quotations for Annual Rate Contracts, it may be clearly mentioned that these rates shall be in force for a maximum period of 2 years with an option for renewal for one more year unless a revision is warranted due to unforeseen situation in the interim period including escalation of cost of labour / material. **The period of**

contract can be extended by one year if it is mutually acceptable.

- vi) As far as practicable, percentage rate contracts (please refer section 3.2.3) shall be used for lining up of ARCs.

3.2.5 Engineering, Procurement and Construction (EPC) Contracts

- i) The Engineering, Procurement and Construction (EPC) (also called 'Design & Build' Contracts) approach relies on assigning the responsibility for investigations, design and construction to the contractor for a lump sum price determined through competitive bidding. The objective is to ensure implementation of the project to specified standards with a fair degree of certainty relating to costs and time while transferring the construction risks to the contractor.
- ii) Item Rate contracts may be substituted by EPC contracts wherever appropriate.
- iii) Unlike the normal practice of construction specifications, the technical parameters in the EPC Agreement are based mainly on output specifications / performance standards. Procuring Entity specifies only the core requirements of design and construction of the project that have a bearing on the quality durability, reliability, maintainability and safety of assets and enough room is left for the contractor to add value. The Contractor has full freedom to design and plan the construction schedule using best practices to achieve quality, durability, reliability, maintainability, and safety as specified along with efficiency and economy. Projects risks such as soil conditions and weather or commercial and technical risks relating to design and construction are assigned to the Contractor. The Procuring Entity bears the risk for any delays in handing over the land, approvals from local authorities, environment clearances, shifting of utilities and approvals in respect of engineering plans.
- iv) Selection of the contractor is based on open competitive bidding. All project parameters such as the contract period, price adjustments and technical parameters are to be clearly stated upfront, and short-listed bidders are required to specify only the lump sum price for the project. The bidder who seeks the lowest payment is awarded the contract. The contract price is subject to adjustment on account of price variation during the contract period as per a specified formula. It also lays down a ceiling of 10 (Ten) per cent of contract price to cater for any changes in the scope of project, the cost of which the Procuring Entity will bear.
- v) The selected Contractor carries out survey and investigations and also develops designs and drawings in conformity with the specifications and standards laid down in the Agreement. Engineer-in Charge (EIC) reviews the design and drawings to ensure that these conform to the scope of the project, design standards and specifications. Any comments by the EIC on the design proposals submitted by the contractor are to be communicated in totality once in a time-bound manner as indicated in the schedule. The contractor is free to proceed with construction after the expiry of specified period in case no remarks/ clearances are given by the EIC.
- vi) The Contractor is liable to pay Liquidated Damages for per day of delay beyond the specified date of completion, an amount equal to 0.5% for every week or part thereof, subject to the total amount of Damages not exceeding 5% (five per cent) of the Contract Price. However, the Contractor is entitled to time extension arising out of delays on account of change of scope and force majeure or delays caused by or attributable to NRL. If so provided in the Bid Document, NRL is also liable to pay bonus (normally should not exceed five percent) to the Contractor for completion of the project before the scheduled completion date, if so provided in the contract documents. [refer 6.4.4 below]
- vii) Monitoring and supervision of construction are undertaken through EIC for coordination with the contractor.
- viii) Each item of work is further sub-divided into stages and payment based on output specifications and performance standard is to be made for each completed stage of

- work. Defects liability period should be specified in the tender document,
- ix) The EIC (Consultant) has to have good experience in design, project supervision and works management.
 - x) In EPC contracts, since primary responsibility to execute the work lies with the EPC contractor, success of the project also depends upon the quality of the tender document wherein enough clarity on the broad framework for execution of the work and the obligations of the contractor needs to be built in.
 - xi) Milestones for payment to the contractor should be fixed in a manner that facilitates smooth cash flow for the contractor as well as for progress of the work. Milestones fixed should avoid excessive front loading or back loading, i.e., amount of payment should be commensurate with stage-wise quantum of work/ cost incurred. Milestones for payment to the contractor should also be linked with the deliverables.
 - xii) In case of EPC contracts, only general arrangement drawings and architectural control parameters should be part of the tender document. In case of EPC contracts, timelines for submission of drawings by the contractors and approval thereof by the competent authority should be clearly prescribed in the tender document, wherein, damages for non-adherence of such timelines in this regard may also be incorporated.
 - xiii) EPC contracts **shall** specify broad technical specification and key output parameters. Over-specification of design may lead to increase in cost. Technical specifications **shall** be framed in such a manner to allow sufficient freedom to the contractor to optimize design. Provisions on the following should be included in commercial conditions :
 - a) Limitation of liability for procuring entity as well as contractor.
 - b) Deviation limits and procedure for change of scope.
 - c) Contract closing timelines and procedure to ensure timely closing of contract.
 - d) Performance parameters and liquidated damages for shortfall in performance
 - e) Risk matrix and responsibilities of the contractor and the procuring entity.
 - xiv) To mitigate the risk involved in the methodology proposed by the contractor, the project executive authority **shall** either have an in-house engineering, quality assurance and project management expert or alternatively hire an experienced engineer to intensively examine the proposal submitted by the contractor.
 - xv) To ensure equality, regular inspection and quality checks must be carried out. The Project, executing authority **shall** carry out stage inspections in manufacturing of critical equipment/critical activities of the project.

Note: In para 3.2.5 instructions containing "shall" are mandatory; any deviation from these instructions shall require approval from the Board of Directors.

3.2.6 Public Private Partnership (PPP)

PPP means an arrangement between a government/ statutory entity/ government owned entity on one side [Sponsoring (PPP) authority - or simply the Authority] and a private sector entity (a legal entity in which 51% or more of equity is with the private partner/s - concessionaire) on the other, for the creation and/ or management of public assets and/ or public services, through investments being made and/ or management being undertaken by the concessionaire, for a specified period of time (concession period) on commercial terms, where there is well defined allocation of risk between the concessionaire and the Authority; and the concessionaire (who is

chosen on the basis of a transparent and open competitive bidding), receives performance linked payments that conform (or are benchmarked) to specified and pre-determined performance standards, measurable by the Authority or its representative. For further information, PPP instructions issue by Department of Economic Affairs (DEA), Ministry of Finance from time to time, may be referred.

3.3 Bidding Systems, Pre-Qualification Criteria

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

3.3.1 Single Stage Bidding System

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

3.3.2 Single Stage Single Bid/ Envelope System (1S1E)

Where it is feasible to work out the schedule of quantities and to formulate detailed specifications for Works and capability of contractor isn't critical and value of procurement is low or moderate, the single envelope system may be adopted, where eligibility, technical/ commercial and financial details are submitted together in the same envelope. This is the simplest and the quickest bidding system. The lowest responsive priced bid that meets the eligibility criteria, technical and commercial requirements laid down in the bid documents is declared as successful and awarded the contract.

3.3.3 Single Stage Two Envelope Systems (1S2E)

In technically complex requirements but where capability of source of supply is still not crucial and value of procurement is not low, a two envelope system may be followed:

- i) If required, Technical specification and techno-commercial conditions may be modified, after the pre-bid conference in the two envelopes. The pre-bid conference is to be organised before the bid submission date. It may be necessary to issue the pre-bid conference minutes to all participants/ upload to the web-portals and some revised RfQ/ RfP documents where necessary.
- ii) The tenderers should be asked to bifurcate their quotations in two envelopes. The first envelope, called the techno-commercial bid, contains the eligibility, technical quality and performance aspects, commercial terms and conditions and documents sought in the tender, except the price and relevant financial details. In the second envelope, called the financial bid, the price quotations along with other financial details are submitted. Both the envelope are to be submitted together in a sealed outer envelope, as it would not be desirable to invite financial bids after opening of techno-commercial bids;
- iii) The techno-commercial bids are to be opened in the first instance on the bid opening date and time, and scrutinised and evaluated by the Technical Recommendation

Committee (TRC) with reference to parameters prescribed in the tender documents and responsive, eligible and technically compliant bidders are decided;

- iv) Thereafter, in the second instance, the financial bids of only the techno- commercially compliant offers (as decided in the first instance above) are to be opened on a pre-announced date and time for further scrutiny, evaluation, ranking and placement of contract. The financial bids of technically non- compliant bidders should not be opened. In e-Procurement, financial bids of technically non-compliant offers would not get opened;

3.3.4 Single Stage Multiple Envelope System (with post-qualification, 1S3E)

As discussed below, where the procurement is moderately complex and the time, effort and money required from the bidder to participate in a tender is not very high, instead of a separate stage of Pre-Qualification bidding (as described below), a clear- cut, fail-pass qualification criteria can be asked to be submitted as the first (additional) envelope in a three envelope single stage bidding, so that a bidder's risk of having his bid rejected on grounds of qualifications is remote if due diligence is exercised by him. Strictly speaking, this is not a pre-qualification but a Post-qualification of bidders (as in case of Single Envelope and Two Envelope Bidding). In the first instance on the bid opening date only the post-qualification envelope (also containing the EMD and other eligibility documents) is opened and evaluated to qualify the responsive bidders who pass the post-qualification. Rest of procedure is same as two envelope system for only qualified bidders. Rest two envelopes of unqualified bidders are not to be opened; In e-Procurement, the techno-commercial bids of non-qualified offers would not get opened;

3.3.5 Two Stage Bidding with Expression of Interest (Eoi)

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

- i) It is not feasible for the procuring entity to formulate detailed specifications or identify specific characteristics for the subject matter of procurement, without receiving inputs regarding its technical aspects from bidders;
- ii) The character of the subject matter of procurement is subject to rapid technological advances or market fluctuations or both;
- iii) The procuring entity seeks to enter into a contract for the purpose of research, experiment, study or development; or
- iv) The bidder is expected to carry out a detailed survey or investigation and undertake a comprehensive assessment of risks, costs and obligations associated with the particular procurement.

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

- i) In the first stage of the bidding process, the procuring entity shall invite EOI bids containing the broad objectives, technical and financial eligibility criteria, terms and conditions of the proposed procurement etc without a bid price. On receipt of the Expressions of Interest, technical discussions/ presentations may be held with the short-listed Contractors, which are prima facie considered technically and financially capable of executing the proposed work, giving equal opportunity to all such bidders to participate in the discussions. During these technical discussions stage the procurement agency may also add those other stake holders in the discussions who could add value to the decision making on the various technical aspects and evaluation criteria. Based on the discussions/ presentations so held, one or more acceptable technical solutions could be decided upon laying down detailed technical specifications for each acceptable technical solution, quality bench marks, warranty requirements, delivery milestones etc., in a manner that is consistent with the objectives of the transparent procurement. At the same time care should be taken to make the specifications generic in nature so as to provide equitable opportunities to the prospective bidders. Proper record of discussions/ presentations and the process of decision making should be kept;
- ii) In revising the relevant terms and conditions of the procurement, if found necessary as a result of discussions with the shortlisted bidders, the procuring entity shall not modify the fundamental nature of the procurement itself;
- iii) In the second stage of the bidding process, the procuring entity shall invite bids from all those bidders whose bids at the first stage were not rejected, to present final bid with bid prices in response to a revised set of terms and conditions of the procurement; and
- iv) Any bidder, invited to bid, but not in a position to execute the work due to modification in the specifications or terms and conditions, may withdraw from the bidding proceedings without forfeiting any bid security that he may have been required to provide or being penalised in any way, by declaring his intention to withdraw from the procurement proceedings with adequate justification.
- v) If the procuring entity is of the view that after EOI stage, there is likelihood of further participation by many more bidders and to avoid getting trapped into a legacy technology, the second stage bidding may not be restricted only to the shortlisted bidders of EOI stage and it may be so declared in the EOI document ab-initio. Thereafter in the second stage, normal OTE/ GTE bidding may be done. Such variant of EOI is called 'Non-committal' EOI.

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

- i) A copy of the advertisement;
- ii) Objectives and scope of the requirement: This may include a brief description of objectives and broad scope of the requirement;
- iii) Instructions to the bidders: This may include instructions regarding the nature of work, last date of submission, place of submission and any other related instructions;
- iv) Formats for submission: This section should specify the format in which the bidders are expected to submit their EOI;
- v) The EOI document should be made available to the interested bidder as a hard copy or in the website in a downloadable form; and

Pre-Notice Inviting Tender (NIT) Conference: In complex and innovative procurement cases or

where the procuring entity may not have the required knowledge to formulate tender provisions, a pre-NIT conference may help the procuring entity in obtaining inputs from the industry. Such conferences should be widely publicised so that different potential bidders can attend.

iv) **Eligibility criteria:** The invitation to EoI should clearly lay down the eligibility criteria, which should be applied for short listing. Supporting documents required need to be clearly mentioned. An example of EoI eligibility criteria is shown in Table 1. However, appropriate eligibility criteria have to be designed, keeping in mind the specific objectives of the EoI. Criteria used should be measurable and based on documents that are verifiable. Definitions and explanatory notes shall be provided for each criteria that are simple and unambiguous. It may also be advisable to cross-check and verify these documents, when in doubt.

Table 1: An example of EoI eligibility criteria

Criteria	Sub-criteria	Weightage*	Break-up of Weightages
Past experience of the firm with similar requirements		A*	
Technical capabilities		D*	
Financial strength of the bidder		B*	
	Turnover figures of the last three years		B1*
	Net profit figures of the last three years		B2*
Quality accreditations, licensing requirements		C*	

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

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

3.3.6 Pre-qualification Bidding [PQB]

- i) In high value contracts or complex technical requirements where capability of source of supply is crucial (for example in construction of complex bridges), for the successful performance of the

contract, besides considering techno- commercial suitability, it is necessary to ensure that competition is only among bidders with requisite capabilities matching the challenges of the task. In case bidders with inadequate capability are allowed to compete, the better qualified bidders would be eliminated, since their bid price is likely to be higher commensurate with their higher capability and infrastructure. In such situations a separate stage of PQB bidding system may be considered (or single stage multiple envelope bidding - please refer para 3.3.4 above). In PQB stage, competent qualified tenderers are shortlisted prior to the issue of the bid document exclusively to shortlisted bidders in the second stage by using a Pre- qualification Criterion (PQC).

ii) Pre-qualification Bids (PQBs) should meet the norms of transparency, fairness and maintenance of competition. *Since PQB system may strain the transparency principle and there is heightened risk of cartelization among shortlisted bidders, PQB should be done only as an exception under specified circumstances. It should not be a routine/ normal mode of procurement of works and an eligibility criteria clause (post-qualification) as part of single/ two envelope/ cover tendering should suffice in normal/ routine situations. PQB bidding as a separate stage is contra-indicated in the following circumstances:*

- i) Where procurement can be done through limited tender enquiries;
- ii) Where the requirement is technically and commercially simple enough that pre-qualification of the bidder is not crucial for the performance of the contract, for example, routine residential buildings; and
- iii) *Where the procurement is of medium value (say less than Rs 100 crore) or moderately complex in nature and the time, effort and money required from the bidder to participate in a tender is not very high, a clear-cut, (preferably fail-pass) post-qualification criteria can be specified in a three envelope single stage bidding (instead of separate PQB bidding), so that a bidder's risk of having his bid rejected on grounds of qualifications is remote if due diligence is exercised by him.*
- iv) **Two stage PQB** should be done only in appropriately justified situations. Alternatively Single Stage multiple envelop system may be used for prequalification, in which chances of anti-competitive behaviour and time- taken is significantly lesser.

iii) **PRE-QUALIFICATION CRITERIA:** PQC should be unrestrictive enough so as not to leave out even one capable bidder/ contractor. Otherwise, it can lead to higher prices of procurement works/ services. However, on the other hand, these criteria should be restrictive enough so as not to allow even one incapable bidder/ contractor and thus vitiate fair competition for capable bidders/ contractors to the detriment of the Procuring Entity's objectives. A misjudgement in either direction may be detrimental. Certain guidelines-regarding the framing of PQC have been laid down. Due consideration should be given while framing PQC, to its effect on adequacy of competition. PQC should therefore be carefully decided for each procurement. PQC should be approved by Functional Head of Indentor/User. It should be clarified in the PQB documents that bidders have to submit authenticated documents in support of eligibility criteria. Specific criteria of 'pass' for each attribute will be as specified in the standard pre-qualification document. A bidder

may be awarded more than one contract in a Tender if he: (a) meets the PQC of each of them; (b) demonstrates having the resources in respect of financial, personnel and equipment capabilities to meet the aggregate of the specified capabilities for each contract. The attributes PQC should cover inter-alia:

a) General Construction Experience: (Optional PQC)

The applicant should have achieved minimum annual value of general construction work [as certified by Chartered Accountant, and at least 50(fifty) percent of which is from Engineering (Civil/ Electrical/ Mechanical as relevant to the work being procured) construction works] carried out in any of the year over a stated period (normally five to seven years, ending 31st March of previous year), calculated by applying an appropriate multiplier to the projected annual construction expenditure on the subject contract. The multiplier of 2 may be used, but for very large contracts should not be less than 1.5.

b) Past Experience: The applicant should have:

1. Successfully completed similar works during last ten years ending last day of month previous to one in which applications are invited should be either of the following: -

- 1.1 Three similar completed works costing not less than the amount equal to 30 (thirty) percent of the estimated cost; or
- 1.2 Two similar completed works costing not less than the amount equal to 40 (forty) percent of the estimated cost; or
- 1.3 One similar completed work costing not less than the amount equal to 50 (fifty) percent of the estimated cost; and

Value of past experience be adjusted at a simple rate of 7% for every completed year **and / or part thereof** ending last day of the month preceding the month in which bids are invited.

Note: If along with the term “completed works”, the term “substantially completed” works is also to be accepted as “past **experience**” under PQC, the same should be clearly defined, justified and concurred by functional head of user dept. for individual cases. The value of such “substantially completed” works should meet the value criteria specified for past experience in similar works.

2. Definition of "similar work" should be clearly defined.

The pre-qualification criteria specified in the tender document should neither be made very stringent nor very lax to restrict/ facilitate the entry of bidders. However, it should be ensured that the PQ criteria are exhaustive, yet specific and there is fair competition. It should also be ensured that the PQ criteria are clearly stipulated in unambiguous terms in the bid documents.

The similarity of work shall be pre-defined based on the physical size, complexity, methods/ technology and/ or other characteristics described, and scope of works.

The estimated cost for determination of PQC shall be the total estimated cost including ‘reimbursable items’ as well as ‘SOR items to be quoted by bidders’ (excluding GST).

Following clauses w.r.t. acceptance of sub-contracting experience or experience under private organizations may be specified in the bidding documents:-

It is to be noted that experience as main contractor will only be taken cognizance of for the purpose of assessing qualifying criteria. However, authorized sub-contractors under principal contractors can also be considered provided their works completion certificate is issued by the client organization in case of job executed elsewhere under PSUs, limited companies, Government Departments, Quasi government and autonomous bodies. However, in case of sub-contractors under contractors engaged by NRL, the works completion certificate issued by the main contractor will also be acceptable provided the same is endorsed by Engineer-in-charge of NRL.

In support of the experience and value of work executed, the sub-contractor or contractors under Private Organizations, shall furnish either (a) TDS Certificate in Form 26AS (Annual Tax Statement under Section 203AA of the Income Tax Act, 1961) or (b) Bank Certificate indicating receipt of payment from the Main Contractor or Private Organization(s) in case of overseas executions / executions under overseas organizations.

c) Financial Capabilities

Average Annual Financial Turnover of the bidders during the last three years ending 31st March of the previous financial year should be at least 30% of the estimated cost.

Bidders to submit copies of audited profit & loss account for the last three financial years in support of annual turnovers “or” certification of annual turnovers for the last three financial years from a registered chartered accountant firm. Last three 3 financial years mentioned above refers to immediate 3 preceding financial years wherever the last bid submission date is after 31st December. In case of tenders having last bid submission date up to 31st December, and audited / CA certified turnover documents of the preceding financial year is not available, the audited / CA certified turnover documents of the 3 years prior to preceding financial year will be considered.

Audited Annual Report / financial statements needs to be accompanied with UDIN number, which is mandatory from July 2019 onwards. Any Financial Report which is issued after July 2019 onwards without UDIN shall not be considered for evaluation.

Whenever felt necessary, the following aspects should also be taken care of while fixing the PQC:

The applicant should have: (i) access to, or possess available liquid assets and other financial means (independent of any contractual *advance* payments) sufficient to meet the construction cash flow requirements for the subject contract, of the certain minimum amount specified; (ii) adequate sources of finance to meet the cash flow requirements of works currently in progress and for future contract commitments; and (iii) financial soundness as established by audited balance sheets and/ or financial statements.

d) Personnel Capabilities (Optional PQC)

The bidder's key personnel, as may be listed in the pre-qualification document, should meet the requirements of qualification and experience specified. The pre-qualification

criteria should, refer to a limited number of such key personnel, for instance, the project or contract manager and those superintendents working under the project manager who will be responsible for major components (for example, superintendents specialised in dredging, piling, or earthworks, as required for each particular project). Criteria of acceptability should be based on:

1. A minimum qualification related to the work, if considered desirable;
2. A minimum number of years of experience in a similar position; and
3. A minimum number of years of experience and/ or number of comparable projects carried out in a specified number of preceding years.

e) Equipment Capabilities (Optional PQC)

The bidder should own, or have assured access (through hire, lease, purchase agreement, other commercial means) to the specified key items of equipment, as may be listed in the pre-qualification document, in full working order, and satisfy that, based on known commitments; it will be available for timely use on the proposed contract. The pass-fail criteria adopted should be limited only to those bulky or specialised items that are critical for the type of project to be implemented (say heavy lift cranes and piling barges, dredgers, asphalt mixing plants), and so on. Contractors may not own the specialised items of equipment, and may rely on specialist sub-contractors or equipment-hire firms.

f) Any other technical criteria (Optional PQC)

On case to case basis, wherever deemed necessary, any other technical qualification criteria w.r.t. the scope of work, capacity, additional experience, statutory requirement etc. may be stipulated. Such pre-qualification criteria should not be made very stringent or restrictive.

g) Pre-qualification of JV

JV members are "jointly and severally responsible and liable" in a contract. For pre-qualification, the JV should fulfil the criteria specified in the pre-qualification document. The attributes to be evaluated will be the same as individual contractors; however, certain parameters up to the specified limits have to be essentially met by them collectively, some by the lead partner, and some by the other partner, as briefly described below:

1. Qualifying factors to be met collectively: (i) past experience (ii) financial capabilities (iii) personnel capabilities (optional); and (iv) equipment capabilities (optional);
2. Qualifying factors for lead partner: (i) past experience; (ii) financial not less than of 50 (fifty) per cent of the respective limits prescribed in case of individual contractors may be accepted; (iii) financial soundness / positive net worth;
3. Qualifying factors for other partner: Same as for lead partner except that for the factors specified in (2) (ii) above, a lower limit of 25 (twenty-five) per cent may be accepted instead of 50 (fifty) per cent.

Table for applicability of PRE-QUALIFICATION CRITERIA:

	GTE	OTE	LTE	PAC/OEM	Nomination	Departmental / Committee Purchase
Goods	Optional	Optional	Optional	NA	NA	NA
Works	Yes	Yes	NA	NA	NA	NA
Consultancy Services	Yes	Yes	NA	NA	NA	NA
Other / Non- consultancy Services	Yes	Yes	NA	NA	NA	NA

NA - Not Applicable ; Yes – Applicable ; Optional – None or One or more qualifying criteria may be applied on case to case basis

*Applicability of PQC is further subject to relaxations under MSE policy or any other Govt. policy.
[MSE policy is not applicable for Works contracts]*

h) Disqualification

Even if an applicant meets the eligibility criteria (Please refer Para 4.5 below) and PQC, he shall be subject to disqualification if he or any of the constituent partners is found to have:

1. Made misleading or false representations in the forms, statements, affidavits and attachments submitted in proof of the qualification requirements; and/ or;
2. On account of currency of debarment by NRL

iv) Advertisement and Notification:

The invitation for PQB shall be processed (publicized in notice boards & websites, bid document preparation, publicity and evaluation, and so on) in the same manner as a normal GTE or OTE (as the situation calls for) tender, ensuring the widest possible coverage. The PQC and evaluation criterion should be notified clearly in the PQB documents. The PQB documents should also indicate the following, as applicable:

- a) Scope of work (in physical as well monetary terms);
- b) Pre-qualification criteria for single contractors and joint ventures;
- c) Disqualification clause for misleading statements, or the applicant found to be ineligible on the basis of facts;
- d) Various questionnaires and forms, required to be answered and filled by the prospective applicant, in support of pre-qualification;
- e) Form of declarations by the applicant in certification of the statements made and information given by him;
- f) Indicative requirements of qualifications and experience of key personnel for the project;
- g) Indicative requirements of major plant and equipment;

- h) Indicative quantities of major items of work;
 - i) Description of the project area, its climate and language, site of work and means of access; and
 - j) Key plan of project area along with the site plan.
- v) **Empanelment of contractors:** Empanelment / registration of contractors may be done for those specific works and services which are required regularly. Performance of such empanelled contractors should be reviewed periodically. The list of empanelled/registered contractors shall be updated on a regular basis. Empanelment of contractors shall be done in a fair and equitable manner, preferably online after giving due publicity. The practice of empanelment of contractors may be confined to tenders up to certain threshold value, as decided by NRL. NRL has a practice of empanelment of contractors for various nature of jobs (either for direct allocation of jobs based on pre-fixed rates and modality, through tendering or through individual tenders to the empanelled agencies) for defined value limit as well as validity period of empanelment. Modality for such empanelment may be adopted on case to case basis with due approval of CA as per DOA.

vi) **Evaluation**

At least in high value and critical procurements, the credentials regarding experience and past performance, submitted by the successful bidder, may be verified as per PQC criteria, as far as reasonably feasible, from the parties for whom work has been claimed to be done. The procuring entity shall evaluate the qualifications of bidders only in accordance with the PQC specified and shall give due publicity to the particulars of the bidders that are qualified on the relevant portals/ websites.

Detailed “Procedure for Verification of Bidders Credentials” (mandatory for L1 bid price of Rs.5 crore and above) is available in “Annexure 9”.

vii) **Subsequent Procurement Tender** (*This is in ref. to 2 stage EOI and PQB*)

The pre-qualification shall be valid for such period as may be specified in the pre-qualification document and for a single subsequent procurement within this period, except when it is determined that engaging in fresh pre-qualification shall not result in enhanced competition. During the period of such validity, the procuring entity shall invite bids for procurement (Request for Proposals - RfP) from pre-qualified bidders and all other bids may be treated as unsolicited offers which are normally rejected. In case bids are not invited within such a period, fresh pre-qualification shall be done. It is desirable that the time gap between the pre-qualification approval and floating of the linked main procurement tender is less than six months. Tender should clearly specify the duration for which the pre-qualification criteria(s) is valid. After the expiry of such duration whenever a subsequent procurement shall be carried out, fresh pre-qualification criteria shall be incorporated in such tender documents.

Contentions and Disputes: Both the successful and unsuccessful bidders tend to view PQB process as a means for creating rights/ privileges/ entitlement for them by way of hair-splitting, contentious or viciously legalistic interpretations of PQC criteria, disregarding the very rationale of the PQB and PQC.

In the PQC a caveat against such tendencies may be included, asserting the right of procuring agency to interpret the PQC on common usage of terminologies and phrases in public procurement instead of legalistic and hair-splitting judgements and that their decision in this regard would be final.

3.4 Electronic Procurement (e-Procurement)

It is mandatory for procuring entity to receive all bids through e-procurement portals in respect of all procurements. Procuring entity may either use CPPP or engage any other service provider following due process. In individual case where national security and strategic considerations demands confidentiality, NRL may exempt such cases from e-procurement after seeking approval of Committee of Functional Directors. Details about the process of e-procurement are available from the service providers. The e-procurement solutions meet all the requirements notified by Department of Information Technology under the Guidelines for compliances to Quality requirements of e-procurement systems published on the e-Governance Standards Portal (<http://egovstandards.gov.in>)

Exceptions to e-procurement shall only be for the following procurement types:-

- (i) Nomination / Proprietary / OEM Tenders.
- (ii) Where situation warrants immediate / urgent action e.g., emergency items/works during shutdown, onsite & offsite emergency/disaster etc. with due approval of respective functional head.
- (iii) Where only limited expert service is available e.g., Catalyst loading etc. with due approval of respective functional head.
- (iv) Tender for Project Affected People (PAP)
- (v) Spot Procurement / Departmental Procurement / Imprest Procurement

Respective officers performing e-tendering activities will use digital signature officially provided to them by the company (NRL).

3.5 Modes of Tendering

Offers from prospective bidders in public procurement must be invited according to a procedure that achieves a balance between the need for the widest competition, on one hand, and complexity of the procedure, on the other hand. Different modes of procurement and bidding systems are used to suit various procurement circumstances to achieve this balance. There are laid down procedures for delegation of powers of procurement to various competent authorities under different modes as shown in the DOA.

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

- i) Open Tender Enquiry (OTE); and
- ii) Global Tender Enquiry (GTE);
- iii) Limited Tender Enquiry - LTE;
- iv) Single Tender Enquiry (STE);
- v) Award of Work through Quotations (Departmental, Spot purchase)

3.5.1 Open Tender Enquiry (OTE)

- i) In OTE, an attempt is made to attract the widest possible competition by publishing the NIT simultaneously on the designated websites. This is the default mode of procurement and gives the best value for money but the procedure is relatively complex and prolonged. OTE procedures through e- procurement or through traditional tendering should be adopted. Exceptions to OTE route shall have be approved by competent authority as provided in the DOA in vogue.

- A. All tenders should be floated through Open Tender route only.
- B. Floating of tenders on Single Tender / Nomination basis shall be resorted to in exceptional cases only.
- C. Floating of tender to limited vendors shall not be adhered to, except for any special requirements. The procedure for such proposal requiring limited tender shall be as follows:
 - a) The requesting (user) department shall forward to commercial department an approval with proper justification for requesting limited tender and why only the specific vendors / contractors are chosen to participate.
 - b) The approval should contain the list of shortlisted agencies to whom the limited tender is intended to be floated.
 - c) The approval note should be duly approved by competent authority.

All financial limits shall be exercised as per authority provided in the DOA in vogue.

ii) **Terms and Conditions**

- a) Participation should not be restricted to only Bidders enlisted with the Procuring Entity.
- b) It is mandatory for all Ministries/ Departments of the Central Government, their attached and Subordinate Offices and Autonomous /Statutory Bodies to publish their tender enquiries, corrigenda thereon and details of bid awards on the Central Public Procurement Portal (CPPP) and dispense with print-advertisements in Newspaper etc. An organisation having its own web site should also publish all its advertised (i.e., Open or Global) tender enquiries on the web site. Information of the open tenders will be published in NRL website by publishing a copy of the NIT. This will be in addition to the tender document published in the tender portal (CPP/GeM etc.) or notice board (manual tenders). Notice for invitation of tenders should give the complete web address from where the bidding documents can be downloaded (for details see para 4.3). In order to promote wider participation and ease of bidding, no cost of tender document may be charged for the tender

documents downloaded by the bidders; and

- c) The tender documents should be prepared on the basis of the relevant approved SBD for the category of procurement. Further details on preparing tender documents are provided in Chapter 4.
- d) The sale/ availability for downloading of tender documents against NIT should not be restricted and should be available freely. Tender documents should be available for download free of cost up to the end date of submission of tenders. The organization should also post the complete tender document in the web site and permit prospective tenderers to make use of the document downloaded from the web site.

3.5.2 Global Tender Enquiry (GTE)

- i) GTE is similar to OTE but, through appropriate advertising and provision for payment in Foreign Currencies through Letter of Credit / Wire transfer, it is aimed at inviting the participation of inter-alia foreign firms. The point of balance between VfM and cost/ complexity of procedure is further aggravated as compared to OTE. Development of local industry also needs to be kept in mind. Hence, it may be viable only in following situations:
 - a) Where required Technology/ specifications/ quality are not available within the country and alternatives available in the country are not suitable for the purpose;
 - b) Very high value contracts or where absence of a sufficient number of competent domestic bidders likely to comply with the required technical specifications, and in case of suspected cartel formation among indigenous bidders where participation of International bidders would enhance value for money.

ii) Terms and Conditions

- i) Publishing of tenders may be done as described in case of OTE above. In addition, in GTE tenders copies of NIT should be circulated to Indian Embassies in relevant countries and embassies of those countries in India;
- ii) GTE tender documents must be in English and the price should be asked in Indian Rupees or US Dollars or Euros or Pound Sterling or Yen or in currencies under the Reserve Bank of India's notified basket of currencies or a mix of any of these currencies;
- iii) GTE tender documents must contain technical specifications which are in accordance with national requirements or else based on an international trade standard;

iv) The due date fixed for opening of the tender shall be usually about four to six weeks from the date of advertisement which may vary taking into account the nature of material called for as well as the time required to prepare the bids. The due date may be subsequently extended with the approval of the CA only to promote better competition and also considering account delivery requirement.

3.5.3 No Global Tender Enquiry (GTE) up to Rs. 200 crores

Please refer sections 4.3.3 to 4.3.6.2 in the “Manual for procurement of Goods”.

3.5.4 Limited Tender Enquiry (LTE)

Please refer section 4.4 Limited Tender Enquiry (LTE) of the “Manual for Procurement of Goods”

3.5.5 Single Tender Enquiry (STE)

- a) Proprietary / OEM
- b) Nomination Basis Tenders
- c) Standardization
- d) Trial Order

A. Proprietary / OEM: Certain works like fabrication, repair, overhaul, renovation etc. has to be carried out by Original Equipment Manufacturers (OEMs) or manufacturers having proprietary rights (or their authorized dealers/stockists). Approval for declaring a work as Proprietary / OEM Works has to be obtained from appropriate authority at the designated level as per DOA.

For procurement and contracts from proprietary vendors and OEMs, the indenting departments shall directly obtain firm quotes (instead of budgetary offers), without seeking EMD, after freezing technical requirements and then forward to Commercial along with Purchase Requisition for further processing of the indent for award of purchase order.

For “Declaration of OEM and Proprietary items”, please refer section 4.6.3 and related Annexure 4 of the “Manual for Procurement of Goods”;

B. Nomination Basis:

Procurements and Contracts will be permitted on a single tender basis in the following circumstances only:

- i. Where the material to be manufactured / fabricated or services to be obtained are of a specialized / proprietary nature.
- ii. Where under Technical / Professional Advice, works are to be obtained from specialized parties / individuals, such as cases of soil investigation, land valuation, arbitration, HR / Finance / IT interventions, technical investigation etc.
- iii. Where situation warrants immediate / urgent action.

- iv. In case of indigenous development of items for import substitution, invitation of offer from a single party specializing in the field / commodity and subsequent negotiations with them will be permissible.

Scrutiny of contracts & purchase orders awarded on nomination basis should continue as per prevailing practice for highlighting lapses observed for corrective action. The data on such contracts & purchase orders above Rs 5 lakhs in value should be checked by Internal Audit to the extent of at least 10%. Internal Audit shall put up to the Audit Committee of the Board their findings on such verifications.

i) It should be resorted to only under following conditions:

- a) There is an urgent need for the work and engaging in competitive tendering process would, therefore, be impractical, provided that the circumstances giving rise to the urgency were neither foreseeable by procuring entity nor the result of dilatory conduct on its part.
- b) In case of an emergency situation, situations arising after natural disasters, situations where timely completion of the work is of utmost importance subject to the reason for such decision being recorded and approval of the competent authority obtained.
- c) Situations where only one contractor has requisite expertise.
- d) The procurement entity engages in procurement involving national defence or national security and determines that single source procurement is the most appropriate method of procurement.
- e) Under some special circumstances, it may become necessary to select a particular Agency where adequate justification is available for such single- source selection in the context of the overall interest of the procuring entity.

ii) Terms and Conditions

- a) The reasons for selection of a particular firm must be recorded and approved by the CA as per the delegation of powers laid down at in DOA, prior to tendering on nomination basis. Powers of procurement on nomination basis are more restricted.
- b) The Procuring Entity shall ensure fairness and equity, and shall have a procedure in place to ensure that: the prices are reasonable and consistent with market rates for work of a similar nature; and the required work is not split into smaller sized procurements.

All works / purchase / consultancy contracts awarded on nomination basis should be brought to the notice of the Board of Directors by Commercial department through Company Secretary for information on quarterly basis. For reporting, 02 lists (i) upto Rs.5 lakhs, and (ii) above Rs.5 lakhs shall be submitted.

The audit committee in the organisation may be required to check at least 10% of such cases.

- C. Standardization:** Standardization shall refer to instances where the User Function specifies a proprietary brand even though materials of equivalent specifications are available in order to maintain limited inventory / assist in speedier execution of job during RTA etc.

The items categorized as Standard items shall be valid for 2 years from date of approval.

- D. Trial Order:** Before an order for large quantity to any firm, the capabilities of which are not fully known, if considered necessary and feasible, Trial Order for smaller value can be issued.

The indenting department would be responsible for assessment of the performance of the party in case of extension / confirmation of the trial order.

3.5.6 Award of Work through Quotations

For details on award of work through quotations, please refer “Manual for Procurement of Goods”:-

Section 4.10(a) **Departmental Purchase**; and

Section 4.10(b) **Spot Purchase**

3.5.7 Award of works in stalled contracts: It is noted that in cases, where a contractor abandons or stops the work mid-way, either due to insolvency or a dispute or other reason, engagement of the new contractor takes considerable time and in the meanwhile public money is locked up in assets which cannot be utilized, apart from inconvenience and loss of amenities to the company due to such half completed works.

To deal with such part completed contracts, wherever the work is abandoned by the contractor mid-way or there is necessity to expedite the work due to poor performance of the existing contractor, the balance work (or part thereof) can be awarded to any other contractor by engagement through open/limited/nomination basis on risk & cost or other means.

Chapter 4: Preparing Bid Documents, Publication, Receipt and Opening of Bids

4.1 Bid Documents

4.1.1 The text of the bid document should be self-contained and comprehensive without any ambiguity. All essential information, which a bidder needs for sending responsive bid, should be clearly spelt out in the bidding document in simple language. This will also enable the prospective bidders to formulate and send their competitive bids with confidence. A carefully prepared tender document avoids delays and complaints. Hence, it is worth spending time and effort on this even in cases of urgency.

4.1.2 In case of a limited tender, instead of a full set of SBD, only a machine numbered simplified tender form is used as the tender document, after filling up the name of the bidder and details of requirements. It has the "terms and conditions of tender" printed on the obverse side. In any case, all enlisted bidders, who normally are invited to quote in such limited tenders, have already acknowledged acceptance of "general conditions of contract" as part of the enlistment application, which are applicable to such procurements, in additions to "terms and conditions of tender" on the obverse of tender form. If necessary, specifications and drawings or any other document may be enclosed with the limited tender form.

4.1.3 While SBDs would be complete in itself and may be slightly different for various categories of procurements, these must necessarily address the following essential aspects:

- i) Description of the subject matter of procurement, its specifications including the nature, quantity, time and location where the construction is to be effective, any incidental services to be performed.;
- ii) Limitation or preference for participation by bidders in terms of the government policies in accordance with Public Procurement (Preference to Make in India), Order 2017 issued by Department of Industrial Policy & Promotion etc.);
- iii) The criteria for eligibility and qualification to be met by the bidder. The qualification criteria should take care of the contractor's past performance, experience, technical competence, financial strength to handle the contract successfully, compliance with environmental protection regulations/ Environment Management System and so on;
- iv) Requirements as to documentary evidence, which must be submitted by contractors or contractors to demonstrate their qualifications.
- v) The procedure for preparation and submission of tenders by the bidders including date, time and place for obtaining, submitting and opening of the bids;
- vi) Suitable provisions should be kept for enabling a bidder to seek clarification/ question the bidding conditions, bidding process and/ or rejection of its bid. Names and contact details of IEM in case of Integrity Pact;
 - (a) Bidder shall examine the bidding document thoroughly in all respect and if any conflict, discrepancy, ambiguity, error or omission is observed, bidder may request information/ clarification of the bidding document in writing so as to reach office of NRL not later than 07 days prior to the last date for submission of bids.
 - (b) 48 hours from the date of uploading technical recommendation (TR) where there

is disqualification of bidder on non-meeting techno-commercial requirement or system configured time period for GeM Bids.

NRL may respond in writing to any request for any information or clarification or query on the bidding conditions, bidding process and/or rejection of its bid -directly to the concerned bidder or by publishing in the e-tendering portal - depending on the nature & content of the information/clarification sought. [Please also refer section "5.7.3 - Bidder's right to question rejection" below]

- vii) Criteria for determining the responsiveness of bids, criteria as well as factors to be taken into account for evaluating the bids on a common platform and the criteria for awarding the contract to the responsive, most advantageous (lowest / highest as the case may be) bidder should be clearly indicated in the bidding documents. Bidding document should include a clause that **"if a firm quotes NIL charges/consideration, the bid shall be treated as unresponsive and will not be considered"**;
- viii) Suitable provision for settlement of disputes, if any, emanating from the resultant contract, should be kept in the bidding document; and
- ix) Essential terms of the procurement contract including a suitable clause mentioning that the resultant contract will be interpreted under Indian laws.
- x) The names, designations and addresses of one or more officers or employees of the procuring entity who are authorized to communicate directly with and to receive communications directly from contractors or contractors in connection with the procurement proceedings.
- xi) Any formalities that will be required once a tender has been accepted for procurement contract to enter into force.
- xii) **Tender Documents**
 - a. The tender document is the fundamental document in the public procurement process as after award of the contract it becomes part of the contract. All necessary provisions governing the contract should be clearly provided in the tender document. Examples are technical specifications, drawings, commercial terms and conditions including payment terms, obligations of the procuring entity and the contractor timeframe/milestones for execution of the project, tax implications, compliance framework for statutory and other norms, reporting on progress/ quality of the work, dispute resolution. Provisions/ clauses in the tender document should be clear to avoid differences in interpretation and possible time overrun, cost overrun and quality compromises. Comprehensive survey & soil investigation report, area grading & mapping of underground facilities, where project is to be executed, may be made available and made part of tender document.
 - b. In tenders containing General Conditions of Contract (GCC), additional/ special conditions to be incorporated in the tender document, shall be need based and specific. The GCCs should not be altered and changed, if any, in conditions of contract should only be made through the Special Conditions of Contract.
 - c. Identification of milestones may be done in an optimal and sequential manner and the same may be stipulated in the tender document along with enabling

provisions.

- d. Payment terms prescribed in the tender document should be such that the payment made to contractors at every stage is commensurate to quantum of work done, subject to any requirements for initial mobilisation.
- e. Instructions regarding appropriate delegation of authority for approval of deviations, variations and changes in the scope of the contract are provided in the DOA.
- f. Provision of price variation, wherever considered appropriate, as well as methodology for calculation of the same shall be clearly stipulated in the tender document.
- g. Quality Assurance Plan (QAP) may be incorporated in the tender document/ contract. Schedule of visit by various levels of officials should also form part of the QAP.
- h. Technical and Financial eligibility Criteria for the bidders are important in the public procurement process. They shall be clear and fair, having regard to the specific circumstances of the procurement. Appropriate parameters should be prescribed in the eligibility criteria for bidders, to enable selection of the right type of bidders in public interest, balancing considerations of quality, time and cost.
- i. Open online tendering should be the default method to ensure efficiency of procurement. Public authorities should also keep the experience criteria broad based so that bidders with experience in similar nature of works in various sectors can participate.
- j. Pre-bid conference may be conducted for large value tenders by Procuring Entities. The Place and time of pre-bid conferences should be mentioned in the tender document and/ or publicized through the website of the procuring entity and/ or through newspaper publication.

4.2 Preparation of Bid Documents by Procuring Entity

4.2.1 The bid documents should be based on relevant Standard Bidding Documents for the Type of Contract (Lump Sum, Item Rate Etc); Estimated Value range, Bidding System (Single Envelope/ Two Envelope/ PQB) etc. SBD fore-procurement would be slightly different from the traditional SBD. To ensure uniformity, the standard provisions in most sections of the SBD are to be used unaltered. Any modification to suit a unique requirement of the specific procurement in these documents is to be done through variable sections such as Appendix to Instructions to Bidders or Special Conditions of Contract. Before floating the tender for works the Bid Document should be got reviewed by the concerned section in-charge of Commercial Dept. The contents of Bid Documents would therefore vary, but will generally comprise the following:

- i) Notice Inviting Tenders (NIT)
- ii) Instructions to Bidders (ITB)

- iii) General Conditions of Contract (GCC) – The prevailing GCC in NRL website be referred.
- iv) Special Conditions of Contract (SCC)
- v) Technical Specifications
- vi) Schedule Of Rates
- vii) Forms of Bid / Annexures
- viii) Bill of Quantities
- ix) Standard Formats: Bid Security, Security Deposit, Advance Payment Security, Form of Agreement
- x) Schedules for Supplementary Information
- xi) Sample Forms for updating qualification information, and so on
- xii) Drawings
- xiii) Documents to be furnished by the bidder
- xiv) Integrity Pact, wherever applicable
- xv) Any other documents required

Clauses as follows (as applicable; but not limited to) are to be included in the tender documents / ITB:-

(a) The contractor will not engage minor labour below 18 (eighteen) years of age under any circumstances. The contractor will further comply with the provisions of the following act and indemnify the company against all claims, which may arise out of the following Acts, & Rules framed there-under:

- i) The Contract Labour (Regulation and Abolition) Act,
- ii) The Minimum Wages Act.
- iii) The contractor has to accept full & exclusive liability for compliance with all obligations imposed by **Employee State Insurance Act, 1948.**
- iv) The Payment of Wages Act,
- v) The Payment of Bonus Act,
- vi) The Employees Provident Fund & Misc. Provisions Act,
- vii) Family Pension Scheme,
- viii) Inter State Migrant Workmen (Regulation of Employment & Condition of Service) Act, or any other acts or statute not hereinabove specifically mentioned having bearing over engagement of workers directly or indirectly for execution of work
- ix) Any other Acts/Regulation as may be notified by Govt. from time to time

(b) In accordance with the D.O. no. 1-21/2021-PP dtd. 29.04.2021 issued by National Disaster Management Authority, Ministry of Home Affairs (GOI), the following clause related to “Vulnerability Atlas of India” shall be included in all tenders related to design, construction

related activities, for information of hazard-vulnerability to reduce vulnerability and increase resilience in the built environment.

Clause: Planning and Designing in purview of Vulnerability Atlas of India

Vulnerability Atlas of India (VAI) is comprehensive document which provides existing hazard scenario for the entire country and presents the digitized State/UT- wise hazard, maps with respect to earthquakes, winds and floods for district-wise identification of vulnerable areas. It also includes additional digitized maps for thunderstorms, cyclone and landslides. The main purpose of this Atlas is its use for disaster preparedness and mitigation at policy planning and project formulation stage.

This Atlas is one of its kind single point source for the various stakeholders including policy makers, administration, municipal commissioners, urban managers, engineers, architects, planners, public etc. to ascertain proneness of any city/location/site to multi-hazard which includes earthquakes, wind, floods thunderstorms, cyclones and landslides. While project formulation, approvals and implementation of various urban housing, buildings and infrastructures schemes, this Atlas provides necessary information for risk analysis and hazard assessment.

The vulnerability Atlas of India has been prepared by Building Materials and Technology Promotion Council under Ministry of Housing and Urban Affairs, Government of India and available at their website www.bmtpc.org.

It is mandatory for the bidders to refer Vulnerability Atlas of India for multi-hazard risk assessment and include the relevant hazard proneness specific to project location while planning and designing the project in terms of:

- i) Seismic zone (II to V) for earthquakes,
- ii) Wind velocity (Basic Wind Velocity: 55, 50, 47, 44, 39 & 33 m/s)
- iii) Area liable to floods and Probable max. surge height
- iv) Thunderstorms history
- v) Number of cyclonic storms/ severe cyclonic storms and max sustained wind specific to coastal region
- vi) Landslides incidences with Annual rainfall normal
- vii) District wise Probable Max. Precipitation

(c) Recovery Rate of materials issued to contractor on chargeable basis: Generally in NRL contracts, scope of supply of all materials, tools & tackles, equipment, machineries and labour is entirely kept under the contractor. However, in the interest of expediting the work NRL may supply cement and reinforcement bars etc. to the contractor on chargeable basis on their request and subject to availability at NRL. In such case the contractor has to lift the materials from NRL's warehouse and transport to the worksite at his own cost.

Wherever materials are issued to contractor on chargeable basis, NRL shall recover the landed cost of the materials (as per latest executed PO at the time of issuance of materials) plus 15% overhead and applicable GST from contractor's RA bills or any other dues.

Above mentioned rate of recovery against chargeable materials shall be applicable uniformly across all tenders wherever such provision for chargeable issue is made.

Where it is stipulated that the material shall be supplied by the Company to be deducted from the bills of the contractors, the issue rate of such materials shall be mentioned. The method of

accounting of the materials including the allowable percentage of wastage shall also be prescribed.

(d) Contractors' Performance Evaluation: Following clause (or any updated version) shall be included in the tenders*:-

NRL has adopted a dynamic performance monitoring /evaluation procedure for continuous monitoring and evaluation of contractors, to maintain their accountability and performance. A rating, based on performance shall be assigned for each work executed by a contractor. This rating shall be used in determining eligibility of the bidder in subsequent tenders issued by NRL (or by NRL authorized agencies / PMC / EPCM).

Following are the areas to be covered under continuous evaluation process:

1. Compliance of safety and housekeeping at worksite
2. Resource mobilization/delay in completion
3. Quality of works and documentation
4. Compliance of statutory / regulatory guidelines

Contractor whose performance is evaluated as Unsatisfactory based on pre-defined scoring criteria shall be debarred for 1 year from participating in NRL's tenders from the date of issuing notification by NRL.

Detailed Contractors' Performance Evaluation methodology is to be made available in NRL Website [location/link to be specified in tenders]

[Except supply tenders, as well as services & works provided on OEM/Proprietary basis. Also, works & services pertaining to expert/specialized agencies like manufacturer of high end equipment and services related to them (e.g., DCS/PLC/Compressor/Motor and such other items) shall fall outside the ambit of this policy. Respective functional HOD shall approve such exception at the time of raising the PR.]*

(e) Price Reduction Clause

All tenderers shall indicate time schedule for completion of jobs, drawn after taking into account availability of the work force, drawings, materials and facilities to be supplied by the Company, reasonable mobilization period necessary for the Contractor etc. Undue delays in completion shall be investigated. Lapses, on the part of the contractor contributing for the delayed completion shall be considered in assessing the Contractor's performances while updating the list of Approved Contractors.

Where the time is the essence of the Tender / Contract, Price Reduction Clause shall be incorporated suitably, and enforced in the event of delayed completion entirely attributable due to lapses on the part of the Contractor. A suitable clause for Price Reduction Clause shall be incorporated in all contracts including that with other PSUs to ensure prompt execution of contracts. The Price Reduction Clause to be specified in General Conditions of Contract shall be subject to a maximum of 5% of the Contract value. Suitable provision shall also be made to ensure that the contract is terminated or suitable alternative arrangements are made at the cost of contractor in case of delay beyond 6 months.

(f) Limitation Of Liability

The aggregate liability of the Contractor to NRL under the Contract shall be total Contract Price/total contract value, except that this Clause shall not limit the liability of the Contractor for following;

- i) Any liability pursuant to Contractors breach of any Applicable Law;
- ii) Any loss resulting from fraud, intentional or willful misconduct or illegal or unlawful acts, or gross negligence or omissions of the Contractor or its affiliates or any sub-contractor or any supplier or any of its or their respective officers, directors, employees, servants or agents or any other person acting on behalf of the Contractor; or
- iii) Any liability to rectify, repair, restore or replace any materials and/or works or deficiencies therein in terms of the Contract ;or
- iv) In the event of any claim or loss or damage arising out of infringement of Intellectual Property; or
- v) For any damage to any third party, including death or injury of any third party caused by the Contractor or any person or firm acting on behalf of the Contractor in executing the works; or
- vi) Any liability pursuant to Contractor's indemnity obligations under the Contract; or
- vii) Contractor's liability for price adjustment for utility consumption beyond the Guaranteed values as per Tender Documents or
- viii) Liabilities under Clause related to Materials and Equipment supplied by the OWNER; or
- ix) Liabilities under Clause related to Machinery and equipment by the OWNER

And provided always that such limitation shall exclude any amounts recovered under any policy(ies) of *insurance* taken out/or maintained by the Contractor pursuant to the provisions of the Contract.

Neither party shall be liable to the other party for any kind of indirect or consequential loss or damage *including* loss of use, loss of profit, loss of production or business interruption which is connected with any claim arising under the contract.

4.2.2 Special Conditions of Contract (SCC):

The special conditions of contract shall be drafted by the user function in respect of each work taking into consideration the special requirements of the job and shall usually indicate the scope for supply of material, the method of inspection of work, the method of measurement of work, the terms of payment, completion of documents and other special formalities required to be complied with by the contractors after the work is awarded. The method of measurement given in the special conditions of contract should be so clear as to avoid any ambiguity in recording of measurements.

Any additions, deletions, or variations to the GCC felt necessary for a particular project shall be done by an appropriate entry in the SCC. Conditions of a special nature and project-specific conditions shall be rationally incorporated. Special conditions (SCC) shall be approved by the HOD of indenting dept.

While drafting SCC, the circumstances warranting them shall be duly considered, including but not limited to the following:

- a) Where the wording in GCC specifically requires that further information is to be included in SCC and the conditions would not be complete without that information;
- b) Where the wording in GCC indicates that supplementary information may be included in SCC, but the conditions would still be complete without that information;
- c) Where the type, circumstances or locality of the works requires additional clauses or sub-clauses; and
- d) Where the laws of the country, or exceptional circumstances, necessitate alterations in GCC. Such alterations are affected by stating in SCC that a particular clause, or part of a

clause in GCC, is deleted and giving the substitute clause or part, as applicable.

4.2.3 Bid Validity: A bid shall remain valid for the period mentioned in the ITB/ AITB [normally 180 days for OTE and GTE]. In exceptional circumstances, the consent of the bidder may be requested in writing for an extension to the period of bid validity. Such requests should preferably be made much before the expiry of the bid validity. The bid security provided shall also be suitably extended. A bidder accepting the request and granting extension shall not be permitted to modify his bid.

Reasons for seeking extension of bid validity should be recorded by the procuring officers at the time of taking such decisions itself.

4.2.4 Clause related to information of litigation/arbitration: In some of the tenders, declaration from bidders is sought that they are not involved in any litigation/arbitration, otherwise, if involved they need to furnish detail information about the status of litigation (including the arbitration) filed by or against the bidder during the past years with respect to contract(s) executed by the bidder.

Such clauses in the ITB/tender document have no bearing on the prospective bidder's eligibility nor has any impact on awarding the order. The same may avoided in all tenders as the same is not relevant in bidder's evaluation process.

4.3 Publication of Bid Documents

It is mandatory to publish tender enquiries, corrigenda thereon and details of bid awards on the Central Public Procurement Portal (CPPP) / GeM Portal and own website and dispense with advertisements in Newspapers. However, in exceptional circumstances, procuring entities may issue the advertisement in newspapers as deemed fit. Such advertisement should also consist of the link of website from where the detailed advertisement and bidding document can be seen and downloaded. Individual cases where confidentiality is required, for reasons of national security, would be exempted from the mandatory e-publishing requirement. The decision to exempt any case on the said grounds should be approved by CA. In order to promote wider participation and ease of bidding, no cost of tender document may be charged for the tender documents downloaded by the bidders. To ensure competition, attention of all likely tenderers, for example, enlisted vendors, past contractors and other known potential contractors, should be invited to the NIT through email/ SMSs/ letters. In e-procurement, the website may be programmed to generate these alerts automatically. In case of procurement through a limited tender, the NIT may be uploaded on CPPP Portal or Procuring Entity's website with a note saying:

"This notice is being published for information only and is not an open invitation to quote in this limited tender. Participation in this tender is by invitation only and is limited to the selected Procuring Entity's enlisted contractors. Unsolicited offers shall be ignored."

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

4.4 Issue/ Availability of tender documents, Bidding Period, Minimum Response

The availability for downloading of tender documents against NIT should not be restricted. Tender documents should be available for download up to the last date of bid submission. The organization should also post the complete tender document in its web site and on CPPP to enable prospective tenderers to make use of the document downloaded from the web site. The advertisement for

invitation of tenders should give complete web-address from where bid documents can be downloaded.

4.4.1 (A) Bidding Period for Tenders floated in the GeM* and CPP Portal:

All Proposals (Open or Limited), GeM Custom Bid , BOQ Based Bidding: 14 days.

GeM Bid where Item Category is available: 10 days

Global Tenders : 4-6 weeks

Special Note:- In case situation warrants based on specific approval of Functional Head of Commercial Dept., the bidding period can be kept for 21 days or above in exceptional cases.

Urgent tenders: In case situation warrants, based on recommendation of Functional Head of User Dept., the bidding period can be reduced suitably with approval of Functional Head of Commercial Dept.

Timelines specified above are calendar days. If the BDD falls on a holiday / off-day, the BDD should be fixed on the next working day (Auto extension as per system setting).

Provisions for extension of bid due date, wherever necessary, to ensure fair competition through participation of eligible bidders and to address technical/commercial clarifications post publishing of NIT, are provided in section below.

4.4.1 (B) Minimum Response in Open/Limited Tenders:

1. **"Minimum Response"** shall be considered as under, and no separate approval note to be processed for un-priced bid opening:
 - i. Where the enquiry is issued on open tender basis, the minimum response shall be 03 (three) bids.
 - ii. Where the enquiry is issued on limited tender basis, the minimum response shall be 03 (three) bids. Wherever limited tender is issued to two parties only, minimum response shall be two.
2. Respective purchase officer shall suitably extend the bid due date in either of the following two situations:
 - i) Where Minimum response is not obtained, Purchase officer can give first extension of up to one week but subsequent extensions shall require Commercial HOD's consent. Indentor and HOD of user dept. is to be notified about such extensions.
 - ii) Where Minimum response is obtained but one or more of the vendors have requested for extension by the due date. In such a cases, user dept HOD's prior consent shall be obtained.
3. Normally two extensions shall be given to any enquiry. In case, even after two bid due date extension(s), minimum response is not obtained, whatever bids are received, may be opened. In the case of no response, refloating may be done only in consultation with user department.
4. Where extension is required for any reason(s) beyond two extensions, Commercial HOD's prior consent shall be obtained. Reason for such extensions should be recorded.

4.5 Eligibility and Qualifications of Bidders

4.5.1 Eligibility of Bidders

- i) All eligible bidders meeting the eligibility criteria as defined in ITB can participate in the

tender. The bidder should be a private or government-owned legal entity.

- ii) Bidder should have valid registration with Employees Provident Fund organization under 'EPF and Miscellaneous Provisions Act, 1952', wherever applicable.
- iii) Tenders where Joint Ventures / LLPs (limited liability partnerships) are allowed, all the partners shall be jointly and severally liable (as applicable) for the successful completion of the work.
- iv) A firm that has been engaged by the procuring entity to provide consultancy services for the preparation or implementation of a project, and any of its affiliates (associates, subsidiary, JV partner), shall not be eligible for subsequently providing goods or works (other than a continuation of the firm's earlier consultancy services) for the same project.
- v) A firm determined non-performing by the Procuring Entity shall not be eligible to bid during the period so determined.

4.5.2 Qualification of Bidders

Qualification of bidders is done on Pre-qualification Bidding basis (refer Para 3.3.6, PQB) or on post-qualification basis (refer Para 3.3.4, single stage multiple envelope system). In both cases Qualification criteria needs to be laid down in the Bid Document (refer para 3.3.6 iii). It is of utmost importance to develop new contractors and also to provide avenues to Sub-contractors executing NRL contracts, since they may not get opportunities to accumulate the required credentials to compete in normal tenders. To enable a window of entry for such Start-ups and sub-contractors, in small value contracts (e.g. repair contracts upto Rs.30 lakh) the requirements regarding, Past Experience may not be insisted upon provided the bidders fulfil other criteria regarding Financial/ Personnel/ Equipment capabilities. However to avoid overstretching of their resources, no such contractors may be allowed to hold more than 2 contracts under relaxed credentials, at any given time. Documentary proof of being sub-contractor of NRL jobs endorsed by NRL EIC should be furnished.

4.6 Clarification of Tender Documents

A prospective bidder requiring clarification on the tender documents may notify the Procuring Entity in writing, well before the due date of submission of bids, and a response must be sent in writing regarding the clarifications sought prior to the last submission date of the tenders. Copies of the query of any bidder and clarification issued must be uploaded in the website hosting the tender documents. There shall be no asymmetry of information as regard to any bidder.

4.7 Amendment of Tender Documents

At any time prior to the date of submission of bids, the Procuring Entity may, whether at his own initiative or in response to a clarification sought by a prospective bidder, amend bid documents by issuing a corrigendum. The corrigendum shall be notified in writing and shall be published on CPPP / e-tendering portal. When the amendment/ modification changes the requirement significantly and/ or when there is not much time left for the tenderers to respond to such amendments, it is better to prepare a revised tender and the time and date of submission of tenders are also to be extended suitably. Depending on the situation, such an amendment may also need fresh publication adopting the same procedure as for publication of the original tender enquiry. This is very critical as the amendment may lead to any new bidder meeting the qualifying criteria and publicity is required to ensure a level playing field.

4.8 Pre-bid Conference

In case of turnkey contract(s) or contract(s) of special nature for procurement of sophisticated and costly work/ services/ equipment or wherever felt necessary, a suitable provision is to be kept in the bidding documents for inviting the bidders or their official representatives to attend one or more pre-bid conference at a specified place and time, for clarifying issues and clearing doubts, if any, about the specifications/ Terms of Reference and other allied technical/ commercial details of the work, services, plant, equipment and machinery etc.

Bidders should be asked to submit written queries in advance of the conference. After the conference, Minutes of the pre-bid meeting including all the questions and replies shall be prepared. In order to bring clarity to replies, all questions/ answers and needed amendments should be merged in the sequence of clauses in the bidding document. It is a good practice to consolidate all queries received either as part of pre-bid meeting or just after issuing bidding documents and deal with in a comprehensive way. Minutes of the meeting, including the text of the questions raised and the responses given, shall be transmitted without delay to all purchasers of the bidding documents. The techno-commercial requirements may be revised if considered necessary by way of issue of a formal corrigendum (mere minutes of the meeting of pre-bid conference would not suffice) and shared with all the bidders. These pre-bid minutes shall be published along with the bid documents on the appropriate website including CPPP. After the issue of clarifications/ modifications consequent to the pre-bid meeting, at least one clear week should be given for submission of bids. If during the pre-bid discussion, additional time is sought by prospective bidders, suitable extension may be granted.

4.9 Submission of Bids by Bidders

4.9.1 The procuring entity shall fix a place and a specific date and time as the deadline for the submission of tenders. The bid shall be submitted by the bidder well before the deadline (original or extended as the case may be) for submission (to avoid rush in internet traffic). The use of offline mode of tendering shall be done only under the circumstances where exemptions for e-Procurement are provided as per extant instructions.

Part I - Technical Bid: The technical bid shall be hardbound (in other than e- Procurement) and all pages serially numbered. Hardbound implies such binding between two covers through stitching or otherwise whereby it may not be possible to replace any paper without disturbing the document. In e-Procurement, the submission would be online. Following documents shall be submitted with the technical bid, as applicable:-

- i) Bid security for an amount and in form as specified in **ITB**;
- ii) Power of attorney;
- iii) Qualification information and supporting documents (if prequalification has been done, original qualification will be updated);
- iv) Evidence of access to a revolving line of credit;
- v) Undertaking for making available the required key equipment as specified;
- vi) Undertaking for making available the required key personnel as specified;
- vii) Annual audited turnover;

- viii) Current contract commitments/ works in progress;
- ix) Financial data;
- x) Additional information regarding litigation, debarment, arbitration, and so on;
- xi) Joint Venture (JV) agreement (or a letter of intent to create a JV in case of award of Contract) in case the bidder is a JV;
- xii) Proposed methodology and programme for execution of work duly supported by equipment planning and QA procedures proposed to be adopted by the bidder (if applicable); and
- xiii) Declaration concerning Submission of Bid and abiding by Bid Conditions.

Part II - Financial Bid

- i) Form of bid - duly filled in and signed on each page; and
- ii) Priced BOQ - duly filled in and signed on each page. Each part will be separately sealed and marked as per instructions.

4.9.1A Quality-cum-cost based Selection (QCBS) for works and Non Consultancy Services:

- i) Procuring entities are hereby allowed to use QCBS for procurement of works and non-consultancy services in the following cases:
 - a. Where the procurement has been declared to be a Quality Oriented Procurement (QOP) by the competent authority or
 - b. For procurement of Non-Consulting Services, where estimated value of procurement (including all taxes and option clause does not exceed Rs.10 crore).

*Note: In cases where estimated value was less than Rs. 10 crore but, on tendering, following QCBS process, it is proposed to place contract for more than Rs. 10 crores, the following procedure **shall** be adopted:*

1. In case the difference between estimated value (including taxes etc as above) and value of the proposed contract (including taxes etc) is less than 10% of the estimated value, there will be no bar on placement of contract.
 2. In all other cases, the procurement process is to be scrapped and restarted either as QOP or on QCBS basis.
- ii) The principles of QCBS **shall** be as provided in Rule 192(i), (ii) and (iii) of the GFR. However, the maximum weight of the non-financial parameters **shall** in no case exceed 30%. The Competent Authority for allowing QCBS **shall** be as follows:-
 - a. For declaring a procurement as QOP:
Where the procuring entity is a CPSE, the Board of Directors of the CPSE.
 - b. For Non-consulting Services not exceeding Rs. 10 crore in value:
Where the procuring entity is a CPSE, the authority or officer two levels above the officer competent to finalize the particular procurement, or the Board of Directors of the CPSE whichever is lower.

- iii) In all cases of QOP, a Special Technical Committee (STC) **shall** be constituted with the following composition:-
- Two or more persons who have expert knowledge and /or long experience relevant to the procurement in question;
 - One or more persons with extensive experience in handling public projects and/or public finance in the Government or State/Central Public Sector;
 - One or more persons with experience in financial management/financial administration/audit/accountancy;
 - Not more than one member representing the procuring entity who may *inter alia* provide administrative support to the Committee.
 - The persons referred to in sub paras (a) to (c) **shall** be persons not working under the Competent Authority specified above and **shall** not belong to any organization under the control of, or receiving funding from, the procuring entity or the Ministry/Department to which such procuring entity belongs.
- iv) The names of members of the Special Technical Committee **shall** be decided either by the Competent Authority specified above or by any other authority to whom such power is delegated by the competent authority; however, powers **shall** not be delegated to the officer or authority competent to finalize the particular procurement. Sitting fee may be paid to the members of the STC. Incidental costs including travel be paid by the procuring entity.
- The STC **shall** make specific recommendations on the following matters:-
- The weight to be given to non-financial parameters (not exceeding 30%).
 - The specific quality/technical parameters, their weights, their scoring methodology, the minimum qualification score etc. and other relevant criteria necessary for enduring fair and transparent quality/technical evaluation of the bids.
- v) The recommendations of the STC **shall** be followed except where there are special grounds in public interest for deviating from them. However, every case of deviation from the recommendations of the STC **shall** require approval of the Competent Authority specified above who approved the declaration of the procurement as QOP.
- vi) In respect of QCBS for Non-Consultancy Services not exceeding Rs. 10 crore, a Technical Committee shall be constituted to carry out functions mentioned above in lieu of the STC. The composition of the Technical Committee **shall** follow the provisions of para 4.9.1A(iii). The provisions of para 4.9.1A(iii)e **shall** however not be applicable in such cases.
- vii) Grounds for Declaring a Procurement to be Quality Oriented Procurement: A procurement should be declared as a QOP only if there is enough justification in terms of value addition or enhancement of delivery or paramount importance of quality. Reasons for not adopting two cover/prequalification-based/least cost system **shall** be documented.
- viii) Tender Documents-Fixing/Selection of the Evaluation/Qualification Criteria
- To ensure quality, some of the criteria used in marking may be made mandatory and if a bidder does not meet those, then bids **shall** not be evaluated further.
 - Weightage may also be given for timely completion of past projects of similar nature by the bidder.

- c. In all cases of QOP, a pre-bid meeting **shall** be held in which the technical criteria including the marking scheme **shall** be discussed with the potential bidders. If any changes in the criteria are necessitated by such consultation such changes **shall** require the recommendation of the STC. In Non-Consultancy Services, pre-bid meetings may be held at the discretion of the public authority.
- ix) Fixing of Scoring/Marketing Criteria:
- a. The coring should not be a variable that relies on the subjective opinion of the evaluating panel. The marking scheme should enable achievement of almost similar cores irrespective of the persons/experts being involved in the evaluation process. When the outcome are consistent for the available information, the QCBS parameters are more reliable. Unambiguous description and criteria help to avoid grey areas so as to endure that there is only one possible score for the item. As far as possible, the criteria should be so specific and clear that bidders can self-mark their own bids.
 - b. It is better to specify minimum marks for meeting the qualifying criteria specified.
 - c. Examples of fixed quality parameters that ought not to be considered for relative scoring including organizations' ISO/standards accreditation, etc. These are required to establish the credentials of the service provider but cannot be used for relative comparison between the various bidders.
 - d. Bidders should be asked to produce certificates for the past performance. A format may be given in the tender itself outlining the contract details, completion, sustainability of service, etc. and bidders may be asked to fill it and give evidence to that effect.
 - e. Bidders may be asked to submit a detailed presentation on their proposals in the form of soft copy along with the bid so as to facilitate better understanding of their proposal and to ensure commitment.
 - f. Besides the Bill of Quantity (BOQ) output criteria for payment, Key Performance Indicators (KPI) may be specified with minimum achievement levels for payment so as to ensure quality compliance.
- x) Evaluation of QCBS Bids: For evaluation, a suitable committee **shall** be constituted. However, members of the STC **shall** not be involved.
- xi) Joint Ventures in QCBS
- a. In conventional tenders, some bidders adopt 'name borrowing' and Joint Ventures(JV) often do not function in letter and spirit. This results in lack of quality and accountability. JVs often end in one-sided participation, diluting the essence of the tender evaluation during its performance. Since quality is given weightage in the evaluation itself, in QCBS procurement, it is even more important to guard against such tendencies. Therefore, Joint Ventures may be avoided in QCBS procurements as far as possible. Joint Ventures could, however, become necessary in high technology or innovative projects where a single entity may not be able to execute the work alone.
 - b. If JVs are allowed, adequate safeguards should be provided. Since weightage for quality/ experience influences the award itself, measure should be taken to

ensure that all the JV partners are present and deliver services all through the contract period. An Implementation Board with participation of all JV partners may be provided for wherein the Project Manager from the procuring entity **shall** also be allowed audience when required. Meeting of JV partners with the project executing authority for quarterly progress review may be made as a criterion linked to achievement of key dates or even payment.

Note: In para 4.9.1A instructions containing "shall" are mandatory; any deviation from these instructions shall require approval from the Board of Directors.

4.9.2 Sealing and Marking of Tenders

The tender document is to indicate the total number of tender sets (e.g., in duplicate or in triplicate etc) required to be submitted. In case bids are asked in a number of copies, the tenderer is to seal the original and each copy of the tender in separate envelopes, duly marking the same as "original", "duplicate" and so on and also marking these as mentioned above. In case of two envelope bidding system, the techno- commercial bid and financial bid should be sealed by the tenderer in separate inner covers duly marking these as 'Techno-commercial Bid' and 'Financial Bid' and marked with the address of the purchase office and the tender reference number on the envelopes. Further, the sentence "NOT TO BE OPENED" before (due date & time of tender opening) are also to be put on these envelopes and these sealed inner covers are to be put in a bigger outer cover which should also be sealed and duly super scribed in a similar manner. If the outer envelope is not sealed and marked properly as above, the Procuring Entity will not assume any responsibility for its misplacement, premature opening, late opening etc. These details regarding the submission of bids should also form a part of the ITB and AITB in the tender documents; all the above instructions are to be suitably incorporated in the tender documents.

4.9.3 Withdrawal, Substitution and Modification of Tenders

The tenderer, after submitting the tender, is permitted to withdraw, substitute or modify the tenders in writing without forfeiture of Bid Security/ EMD, provided these are received duly sealed and marked like the original tender, up to the date and time of receipt of the tender. Any such request received after the prescribed date and time of receipt of tenders will not be considered. No bid may be withdrawn in the interval between the deadline for submission of bids and expiration of the period of bid validity. Withdrawal of a bid during this period will result in forfeiture of the bidder's bid security (EMD) and other sanctions.

4.10 Receipt and Opening of Bids

The tender received by the procuring entity after the deadline for the submission of tender, shall not be opened and shall be returned to the contractor or contractors that submitted it. No submission is allowed in e-Procurement after the submission deadline.

Guidelines regarding constitution of bid opening committee are provided in the DOA. On the due date and appointed time, as mentioned in the bid document, the Bid Opening Committee will open the bids in the presence of the intending bidders or their representative. The bidder's name, the bid prices* and conditional and unconditional discount, if any will be announced by the procuring entity during opening of bids. A record of opening of bids will be maintained, including signatures of bidders present.

* In case of two-bid system, where priced bids are opened at a later date, prior intimation of the priced

bid opening date/time/venue shall be sent to the techno-commercially qualified bidders so that they/their representatives may remain present during the priced bid opening.

In e-procurement, all tenders uploaded by tenderers are received, safeguarded and opened online on the portal as detailed in Appendix 3. In offline tenders, receipt and custody of bids shall be done in a transparent manner to maintain the credibility of the process. The following guidelines should be adhered to for receipt and custody of bids:

- i) The procuring entity shall maintain tender boxes for receiving the bids at suitable locations which would facilitate security and easy access to bidders;
- ii) Bids received by courier or direct submission shall be deposited in the tender box by the Dispatch Section till the date and time of bid submission. Bids sent by telex, cable, e-mail or facsimile are to be ignored and rejected, unless otherwise specifically allowed.; and
- iii) For bulky/ oversized bids which cannot be dropped into tender boxes, the officials authorised to receive such bids shall maintain proper records and provide a signed receipt with date and time to the bearer of the bid. He will also sign on the cover, duly indicating the date and time of receipt of the tender(s). Names and designations of at least two such authorised officers should be mentioned in the bid documents
- iv) The authorised representatives of bidders, who intend to attend the tender opening in OTE/ GTE, are to bring with them letters of authority from the corresponding bidder. The prescribed format for the letter of authority for attending the bid opening should be given in the bidding document. All bid- opening activities should be carried out demonstrably before such a gathering. The prescribed format for the bid opening attendance sheet and report are given at Annexure 1;
- v) At a prescheduled date and time, the BOC should get the tender box opened, after ensuring and demonstrating that the seal on the box has not been tampered with. All bids should be collected from the tender box. Bids for tenders not opening on that day should be put back into the box and the box resealed. The bids for different tenders opening on the day (including oversized bids, which were submitted to designated officers) should be sorted, and a count for each tender should be announced and recorded, particularly noting any modifying/ altering/ withdrawal of bids. BOC should ensure and demonstrate that bid envelopes are duly sealed and un-tampered. Late bids should be separately counted but kept aside and not opened;
- vi) After opening, every tender shall be numbered serially (say 3/ 14 - if it is the third bid out of 14 total), initialled, and dated on the first page by the BOC. While opening priced bids, each page of the price schedule or letter attached to it shall also be similarly initialled, particularly the prices, delivery period, and so on, which shall also be circled and initialled along with the date. Any other page containing significant information should also be dealt with similarly. Blank tenders, if any, should be marked accordingly by the BOC. The original (and duplicate, if any) copies in a tender set are to be marked accordingly by the BOC. As the bids are to be submitted in hardbound form, signing of covering letters and index page by all the committee members is sufficient;
- vii) Erasure/ cutting/ overwriting/ use of whitener/ columns left unfilled in tenders, if any, shall be initialled along with date and time and numbered by the officials opening the tenders and total number of such noticed alterations (or the absence of any alteration) should be explicitly marked on the first page of the bid. Wherever quantity/ amount is written only in figures, the BOC should write them in words. All rebates/ discounts should be similarly circled, numbered and signed. In the absence of any alteration/ overwriting/ whitener/ blanks, the remark "no corrections noted" should be written. Similarly, the absence of discounts should be marked with "no discounts noted;"

- viii) The BOC is to announce the salient features of the tenders such as description and specification of the goods, quoted price, terms of delivery, delivery period, discount, if any, whether EMD furnished or not, and any other special feature of the tender for the information of the representatives attending the tender opening. No clarifications by tenderers should be entertained or allowed to be recorded during the bid opening. It should be understood that BOC has no authority to reject any tender at the tender opening stage;
- ix) A bid opening report containing the names of the tenderers (serial number wise), salient features of the tenders, as read out during the public opening of tenders, will be prepared by the tender opening officers, and duly signed by them along with the date and time. The tenders that have been opened, list of the representatives attending the tender opening, and bid opening report are to be handed over to the nominated purchase officer.

4.11 Bid Security/ Earnest Money Deposit (EMD)

To safe guard against a bidder's withdrawing or altering its bid during the bid validity period in the case of OTE and GTE tenders, bid security [also known as Earnest Money Deposit (EMD)] is to be obtained from the bidders along with their bids. Any bid not accompanied by the requisite bid security shall be rejected as non-responsive in accordance with provisions of the bidding document. The amount of bid security should be two percent of the estimated value, rounded off to the nearest thousand in Rupees. Minimum bid security amount shall be Rs.1000.00.

The Bid Security may be obtained in the form of Electronic transfer through NEFT using payment gateway mentioned in the tender document, or Bank Guarantee from any of the Commercial Banks, safeguarding the purchaser's interest in all respects. The bid security is normally to remain valid for a period of 60 (sixty) days beyond the final bid validity period.

Online EMD payment & settlement: Default mode of Collection & settlement (refund/retention) of EMD should be through electronic fund transfer using online EMD solutions for EMD value upto **Rs.5 lakhs**. Alternate mode of submission of EMD through BG executed by any Scheduled Bank in prescribed format shall also be accepted for EMD value above **Rs.5 lakhs**. Bank guarantee should be routed through SFMS platform.

Table for applicability of Bid Security/ Earnest Money Deposit (EMD):

	GTE	OTE	LTE	PAC/OEM	Nomination	Departmental / Committee Purchase
Goods	Optional	Optional	NA	NA	NA	NA
Works	Yes	Yes	NA	NA	NA	NA
Consultancy Services	Yes	Yes	NA	NA	NA	NA
Other / Non- consultancy Services	Yes	Yes	NA	NA	NA	NA

NA - Not Applicable ; Yes – Applicable ; Optional – May be applied on case to case basis

Applicability of EMD is further subject to relaxations under MSE policy or to Start-ups recognized by DPIIT or any other Govt. policy. Further, waiver for Govt. Educational Institutions / other Govt. Bodies may be applied as per DOA.

In appropriate cases, Submission of the bid security may be waived with the Competent Authority's

(CA's) approval.

Bid securities of the unsuccessful bidders should be returned at the earliest after expiry of the final bid validity period and latest by the 30th days after the award of the contract. Bid security should be refunded to the successful bidder on receipt of a initial security deposit. However, in case of two packet or two stage bidding, Bid securities of unsuccessful bidders during first stage i.e. technical evaluation etc. should be returned within 30 days of declaration of result of first stage i.e. technical evaluation etc.

A bidder's bid security may be forfeited if the bidder

- i) withdraws or amends its/ his tender suo-moto after opening of bid & within the bid validity;
- ii) impairs or derogates from the tender in any respect within the period of validity of the tender;
- iii) If the bidder does not accept the correction of his bid price during evaluation; and
- iv) If the successful bidder fails to sign/accept the contract.

The amount of bid security should be two percent of the estimated value, rounded off to the nearest thousand in Rupees. Minimum bid security amount shall be Rs.1000.00

The estimated cost for determination of EMD shall be the total estimated cost including 'reimbursable items' as well as 'SOR items to be quoted by bidders' (excluding GST).

On the award of contract, this is to be refunded to unsuccessful bidders or converted as initial security deposit for the successful bidder.

No interest will be allowed on EMD / Security Deposit.

On completion of Tender Procedure, the EMD will be returned to the unsuccessful bidders.

The EMD of the successful bidder may be converted to Initial Security Deposit, by making good the shortfall amount, if any, between EMD and the ISD required

Alternatively the successful bidder may call back his EMD amount and submit a separate Bank Guarantee in lieu of ISD/SD to cover all contracts as per the proforma enclosed in **Annexure 17**. The validity period for these Bank Guarantees should be 03 months beyond completion of execution of the contract or 03 months beyond end of defect liability period, whichever is later as per the terms and conditions of the particular contract.

Where the Bank Guarantees are accepted it should be ensured by the sponsoring function that:

- I. Bank Guarantees are strictly in accordance with the proforma mentioned above / proforma provided by GeM.
- II. Online systems should be made available for monitoring and handling of BGs by concerned section.
- III. Prompt action is taken to renew the Bank Guarantee whenever required.
- IV. As soon as the contractor commits any breach of the terms and conditions of tender / contract, prompt action should be taken to realize the EMD from the Bank.

EMD/Bid Security may be waived for all Micro and Small Enterprises (MSEs) as defined in MSE Procurement Policy issued by Department of Micro, Small and Medium Enterprises (MSME) or all Startups as recognized by Department for Promotion of Industry and Internal Trade (DPIIT). Waiver to Govt. Educational Institutions / other Govt Bodies shall be as per provisions of the DOA.

4.11.1 Contract Performance Security:

Contract Performance Security within specified period of placement of LOA/PO may be sought from the contractor on case to case basis. Such condition and rates shall be specified in the NIT/ITB.

4.12 Security Deposit/ Retention Money

SECURITY DEPOSIT:

- (i) A sum of Ten percent (10%)* of the accepted value of the tender shall be deposited by the CONTRACTOR as Security Deposit with the OWNER (NRL). This may be deposited initially at two and half percent (2.5%) of the value of CONTRACT (referred as Initial Security Deposit) within Twenty one (21) days of receipt by him of the Work Order / LOA and the balance Seven and half percent (7.5%) will be recovered in installments through deductions at the rate of Ten percent (10%) of the value of each running account bill till total Security Deposit amount is collected, after which no further deductions from Bills will be made on this account, subject to Clause (iii) below.
- (ii) Alternatively, the contractor may, at his option, deposit the full amount of Ten percent (10%) of the accepted value of the Tender towards the Security Deposit within Twenty one (21) days of receipt by him of the Work Order / LOA. contractor can furnish the Initial or Total Security Deposit amount through a Bank Guarantee from any Scheduled Bank in the prescribed form.
- (iii) However if the value of WORK as per actual execution exceeds the accepted value of Tender i.e., value given in the Purchase Order, further recoveries towards Security Deposit shall be effected at Ten percent (10%) of the value in excess of the accepted value of the Tender from running Bills and final Bill. Similarly if the value as per actual execution is less than the accepted value of Tender, recovery towards Security Deposit, effected in the running Bills, in excess of Ten percent (10%) of the value of WORK as per actual execution shall be refunded to the contractor along with final Bill.
- (iv) **CONVERSION OF EMD TO SECURITY DEPOSIT:** The earnest money deposit (EMD) of the contractor whose tender may be accepted, if paid in forms other than Bank Guarantee, can be converted to and adjusted with security deposit for due performance of the contract if the contractor so desires.

In case of non-submission of Initial Security Deposit (ISD) within the specified time of 21 days (or till first bill is due for payment) after placement of order/LOA, an equivalent amount shall be deducted from his first bill (or balance ISD from subsequent bills if the value of first bill is less than the ISD) and kept as ISD.

In the event of extension (provisional or firm) of time of the contract , if granted, the contractor shall be required to suitably extend the period of Bank Guarantee if submitted, towards security Deposit/retention money suitably.

This Retention amount or Bank Guarantee furnished against security deposit shall be released only on expiry of the period of liability and also based on the certification of the Engineer-in-charge that no defect/damage has been reported / observed during the stipulated period of liability for the contract.

All compensation or other sums of money payable by the contractor to the owner under terms of this contract may be deducted from or paid by the encashment of a sufficient part of his security deposit or from any sums which may be due or may become due to the contractor by the owner on any account whatsoever and in the event of his security deposit being reduced by reasons of any such deductions of said, the aforesaid contractor shall within ten days thereafter make good in cash or

Bank drafts as aforesaid any sum or sums which may have been deducted from his security deposit, or any part thereof. No interest shall be payable by the owner for sum deposited as security deposit.

For a contract value upto Rupees 5 (five) lakh (value excluding reimbursement items), submission of Security Deposit may be exempted.

Security deposit shall be applicable on contract value excluding reimbursement items.

1. Release/refund of security deposit.

(a) The security deposit amount deposited by the contractor against a particular contract or work order (WO) or purchase order (PO) will be retained by NRL till completion of execution of the contract or till end of defect liability period whichever is later as per the terms and conditions of the particular contract. Refund of security deposit amount whether full or part, during any time of execution of the contract and due to any reason will not be admissible.

(b) In the cases **where defect liability period is not applicable** as per contract terms and conditions the security deposit will be refunded to the contractor's bank account as provided by the contractor and registered in the NRL vendor master database, within 30 days from date of completion of contract as certified by the respective Engineer In-Charge (EIC) of NRL and after adjustment of recoveries (if any) as per procedure.

(c) In the cases **where defect liability period is applicable** as per contract terms and conditions the security deposit will be refunded to the contractor's bank account as provided by the contractor and registered in the NRL vendor master database, within 60 days from date of expiry of defect liability period as certified by the respective Engineer In-Charge (EIC) of NRL and after adjustment of recoveries (if any) as per procedure.

(d) **Wherever defect liability period is not applicable**, in case the contractor has deposited the security deposit amount in full as per original PO and successfully executed the work as per contract terms and condition without any recoverable from security deposit amount, however the scope of work / quantity / time period has been extended or increased with increase in total contract value through an amendment over original contract, then security deposit equivalent to 10% of the additional / increased contract (PO) amount will be retained by NRL and the balance amount (if any) of security deposit will be refunded to the contractor as certified by the respective Engineer In-Charge (EIC) of NRL. This provision will not be applicable for the service / work contracts **where defect liability period is applicable**, and in such cases an additional amount equivalent to 10% of the increased value of contract will be deposited by the contractor immediately after acceptance of amendment of original contract, either in full or in installments.

Note: For one time jobs, 80% of SD may be released; balance 20% of the SD to be released after the contract is closed (*Closing may be with/without formal approval, as applicable for individual cases*).

2. Amount of Security Deposit in case of extended AMCs.

AMCs for manpower supply, where no defect liability period exists; Security Deposit shall be released after completion of one year (12 months). If contract is awarded for more than one year then SD shall be released on completion of each year (12 months) based on the recommendation of respective EICs, and fresh security deposit will be deducted from running bills for the subsequent year.

[* The value of security deposit has been reduced to three (3) percent for tenders floated till 31.03.2023; Applicable for both domestic & foreign bidders]

4.13 Sources and Verification of Bank Guarantees

Bank Guarantee for Bid Security (EMD) or Performance Guarantee (Security Deposit) should be irrevocable and operative Bank Guarantee (BG) as per format enclosed in the Bid Document and should be issued by a Scheduled Commercial (i.e. Indian or Foreign Banks included in the Second Schedule of Reserve Bank of India Act, 1934 excluding Co-operative banks or Regional Rural Banks). In case of foreign bidders or in case of GTE, if Bank Guarantee is from a foreign bank branch situated outside India, the Bank Guarantee must be issued through any of the Scheduled Commercial Bank. In case BG is issued directly by a bank outside India, it should be executed on Letter Head of the Bank and should be advised and made payable through their Indian Branch/Corresponding Bank in India. The Issuing Bank should also state the name and designation of the next Higher Authority of the Officials who have issued the Bank Guarantee.

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

- i) BG shall be as per the prescribed formats
- ii) The BG contains the name, designation and code number of the Bank officer(s) signing the guarantee(s);
- iii) The address and other details (including telephone no.) of the controlling officer of the bank are obtained from the branch of the bank issuing the BG (this should be included in all BGs);

The confirmation from the issuing branch of the bank is obtained in writing through registered post/ speed post/ courier /direct e-mail/ SFMS. The bank should be advised to confirm the issuance of the BGs specifically quoting the letter of Procurement Entity on the printed official letterhead of the bank indicating address and other details (including telephone nos.) of the bank and the name, designation and code number of the officer(s) confirming the issuance of the BG;

As far as possible organizations should follow e-verification of bank guarantees as per the procedure prescribed by Reserve Bank of India. Bank guarantee should be routed through SFMS platform.

Bank guarantees, either received in physical form or electronic form, should be verified for its genuineness following prescribed method for the same and the Organisations should do due diligence on genuineness of the Bank Guarantees before acceptance of the same.

4.14 Safe Custody and Monitoring of Securities

A suitable mechanism for safe custody and monitoring of EMDs and performance securities and other instruments should be evolved and implemented by procuring entity. Institutional arrangements shall be made for taking all necessary actions on time for extension or encashment or refund of EMDs and performance securities, as the case may be. Monitoring should also include a monthly review of all bank guarantees and other instruments expiring in next three months, along with a review of the progress of the corresponding contracts. Extension of bank guarantees and other instruments, where warranted, should be sought immediately and implemented within their validity period. Bank Guarantee should never be handed over to the contractor for propose of extension of validity. Such a system of monitoring of securities and other instruments may be considered to be computerised with automatic alerts about lapse of validity etc. For release of BGs, the proposal shall be forwarded by the executing agency with its recommendations in accordance with the contract conditions.

4.15 Goods and Services Tax (GST)

- i) A detailed clause regarding GST may be included in the bid documents, stipulating inter-alia that all the bidders/ tenders should ensure that they are GST compliant and their quoted tax structure /rates are as per GST Law.

Additionally, the following criteria related to GST should be incorporated in the tender/RfP document / ATC:

- Submission of Valid GSTIN/UIN registration certificate / GSTIN Number, with the condition that “NRL at its discretion may not consider the bidder’s bid for further evaluation if the same is not found uploaded with the bid or not found to be valid in GST portal. Any misinterpretation or misinformation may attract penal action including putting the bidder on holiday / blacklisting as per rules in vogue at NRL.”
- Undertaking / Information **w.r.t. availing of ITC by NRL:**
 - a) Bidder to submit “INDEMNITY BOND CUM UNDERTAKING” as per “Annexure 24 in the Manual for Procurement of Goods”.
 - b) An amount equivalent to the extent of eligible Input Tax Credit (ITC) available to NRL on each invoice shall be released only upon reflection of corresponding invoice and Input Tax Credit details in GSTR-2B report relating to NRL in GST portal. In other words, GST component eligible for Input Tax Credit, of any invoice shall be withheld till such time same is reflected in GSTR-2B.

In case, post priced bid opening if any party is found to be defaulting in GST portal, the party may be requested to activate itself in the GST portal within a definite time-line. If the party fails to comply within the allowable time-frame, show-cause notice should be served and necessary action should be initiated as per procedure.

While before enactment of GST, the bid prices were normally inclusive of applicable taxes, now after its enactment, as per the GST Act the bid and contract must show the GST Tax Rates and GST Amount explicitly and separate from the bid/ contract price (exclusive of GST). Asking for a bid-price inclusive of taxes/ GST would be a violation of the GST Act. Bid format may be suitably modified accordingly. In the transition period, any variation in tax structure/rate due to introduction of GST shall be dealt with under Statutory Variation Clause.

Ministries/ Departments may follow the procedure as mentioned below while dealing with contractor's payment, post GST promulgation:

- a) **Works is treated as a 'Service':** (GST rate would vary depending on type of work). All works contracts are to be provided with Harmonized System of Nomenclature - HSN Code (actually Service Accounting Code SAC, being a service). The HSN code can be downloaded from the website www.cbec.gov.in. Works Contracts in general come under Chapter 99, Section 5, Heading 9954(Construction Services)as 'Composite supply of Works contract as defined in clause 119 of section 2 of CGST Act'. GST rate would be based on the type of contract. In case contract consists of both goods & service, then interpretation regarding nature of contract for determination of GST rate should be done as per clause 8, Chapter III of CGST Act, 2017.

b) The 'on account/ final contract certificate' shall be prepared by the executing department on the basis of quantity of work executed at the contracted rates, duly segregating the GST component as detailed in para (iii) below.

c) Since before promulgation of GST, the contracted rates normally used to be inclusive of all taxes, the calculation of 'Gross amount of work executed', 'Amount of work executed excluding GST amount' and 'GST amount' in the 'on account / final contract certificate' may be done as under:

Let Z = Gross amount of work executed on the basis of quantum of work executed at the contracted rates.

R = Percentage rate of GST for that HSN code

Y = GST amount as per applicable GST rate for that HSN code. X - Amount of work executed excluding GST amount.

Then, $Z = X + Y$;

Where $Y = X \cdot R / 100$

Thus from the known amount of Z, amounts of X and Y can be worked out.

d) Once the 'on account / final contract certificate' is prepared by executing department and communicated to contractor, the contractor shall submit invoice (bill) in a GST compliant format duly segregating the 'Amount of work executed excluding GST amount' and 'GST amount' (i.e., "X" & "Y" as mentioned in para (iii) above) along with Invoice No. (Bill No.) and all other details required under GST act. In case any need arises to modify the Invoice (Bill) due to any reason, contractor shall submit amended fresh invoice for processing the payment.

e) In case contractor is liable to be registered under GST Act, NRL shall pay to the Contractor 'Gross amount of work executed' (i.e. "Z" as mentioned in para (iii) above) duly deducting all other leviable taxes like I/Tax, labour cess, royalty etc. as applicable. Contractor shall be liable to pay 'GST amount' to respective authority himself. Whereas, Ministry/ Department shall deposit all other taxes deducted to concerned authority as is being done presently.

f) In case contractor is not liable to be registered under GST Act, contractor shall be paid "Amount of work executed excluding GST amount" (i.e. "X" as mentioned in para (iii) above) duly deducting all other leviable taxes like I/Tax, labour cess, royalty etc. as applicable. NRL shall deposit 'GST amount' as well as all other taxes deducted to concerned authority.

- ii) Pre-GST contracts need to be viewed in the light of the clauses of the contracts already signed and provision for change in law.

Chapter 5: Evaluation of Bids and Award of Work

5.1 Evaluation of Bids

5.1.1 The evaluation of Bids is one of the most significant areas of purchase management and the process must be transparent. All tenders are to be evaluated strictly on the basis of the terms and conditions incorporated in the tender document and those stipulated by the tenderers in their tenders. The Contracting Authority may include quality, price, technical merit, aesthetic and functional characteristics, environmental characteristics, running costs, cost- effectiveness, after-sales service and technical assistance, delivery date and delivery period or period of completion etc. No criteria shall be used for evaluation of tenders that cannot be verified or not stated in the contract, with the exception of provisions of laws in force. No hearsay information or hitherto undeclared condition should be brought in while evaluating the tenders. Similarly, no tender enquiry condition (especially the significant/ essential ones) should be overlooked/ relaxed while evaluating the tenders. The aim should be to ensure that no tenderer gets undue advantage at the cost of other tenderers and/ or at the cost of Procuring Entity. Information relating to evaluation of tenders and the Tender Committee's (TC's) deliberations should be confidential and not be shared with persons not officially connected with the process. The process of tender evaluation proceeds is described in the subsequent paras.

5.1.2 Evaluation of group tenders:

Methodology needs to be laid down in the tender document for priced bid opening and subsequent evaluation in case of composite tenders floated for several similar jobs grouped together in one tender document with preconditions like awarding one group to one vendor only.

If the job volume is planned to be distributed to two or more contractors, modality for the same should be clearly spelt out in the tender document.

5.2 Delegation of Authority (DOA)

5.2.1 Evaluation is carried out by Tender Evaluation Committee (TEC) generally consisting of three or more members with requisite experience and competence. Members include representative of Commercial Dept., a Financial representative and a representative of the user as per DOA. No member of the tender committee should be reporting directly to any other member of such committee. For different categories of procurement and different threshold values of procurements DOA should be followed to ensure checks & balances in the Tender Evaluation Process. Commercial dealing officer(s) will receive the bids opened along with other documents from the tender opening officials and are responsible for safe-custody of the documents and for processing involved at all steps in finalising the Procurement.

5.3 Preparation of Comparative Statement and Briefing Note

5.3.1 The Procuring Entity should prepare a comparative statement of quotations received in the order in which tenders were opened. In case of Techno-Commercial bid comparative statement will have information about deciding responsiveness and eligibility of bids and evaluation of Technical suitability of offers. In case of Financial bid it would have information about rates quoted (including taxes or otherwise), discount, if any, and any other information having implications on ranking of bids etc. The comparative statement so prepared along with Tender Evaluation Committee (TEC) recommendation note duly signed by the initiating / recommending member(s) are put up before the appropriate authority for approval as per DOA.

Broad guidelines for preparation of Comparative statement:

- i) To facilitate proper bid analysis, the comparative statement shall be made of all the tenders received on the following basis:
 - a) Price quoted by all the firms shall be given. Where alternative specifications has been offered for the jobs under reference and are acceptable, their prices shall also be indicated along with suitable explanatory note concerning deviations.
The item wise estimate or Last Paid Unit Price (LPP) shall also be given in this tabulation to make comparison of estimate or LPP with the tendered rates.
 - b) Prices quoted shall be reduced to a common base for a meaningful comparison.
 - c) Where earnest money is required, mention to be made whether it has been furnished or not.
 - d) All deviations either in specifications or in standard terms and conditions shall specifically be highlighted, particularly those having a bearing on price or delivery shall be indicated.
 - e) Contractual completion / delivery term of all parties shall be given.
 - f) Discount / Rebate if any offered to be indicated.
 - g) Foreign exchange required in the case of imports shall be indicated.
 - h) Incidence of GST/ Customs Duty/ Excise Duty/ or other Statutory levies, shall be quantified and clearly shown.
 - i) Packing, Handling, Forwarding and Transportation Charges, insurance as applicable should be specified and the incidence thereof should be shown.
 - j) Payment terms and particulars of advance if any and / or progress payments if any demanded shall be indicated. Where advance payment is involved, the cost implications must be determined / indicated.
 - k) Prices escalation clause, if any to be clearly indicated and the cost implication loaded in the tender evaluation.
 - l) Taking all factors into consideration, comparative cost evaluation statement shall be made to give a realistic, representative and comprehensive cost comparison.
 - m) Applicable Purchase preferences and the policies of the Government with regard to MSE and other guidelines shall be suitably brought out in the evaluation sheet for the guidance of the TEC.
- ii) The comparative statement shall be uploaded in Aarohan system by the dealing officer of the Commercial dept.
- iii) The Commercial Department would prepare a detailed note (TEC note) to the Tender Committee / CA highlighting the main points with the recommendation for the award of the contract. The tender papers enclosed along with the above note should include the comprehensive tabulation drawn as indicated above to arrive at a meaningful comparison for

effective decision-making. There should be no ambiguity in any of the data presented for consideration.

- iv) Explanation should be given for variation between prices quoted in the tender and the evaluated prices. Any positive or negative loading done to render the comparison meaningful should be properly explained. Clarifications sought from the tenderers and the resulting impact on the quotation if any should be specifically mentioned. It should be ensured that all technical details; specification drawings and other aspects contained in the offers have been thoroughly checked for conformity with the tender enquiry before presentation to the Committee.

In short, a factual, informative and technically clear material should be portrayed in the noting to the Committee / CA to facilitate taking decisions for the contracts without further reference to the field units.

5.4 Preliminary Examination

5.4.1 Confidentiality of Process

- i) 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 person not officially concerned with such a process until the award to the successful bidder has been announced.
- ii) From the time of bid opening to the time of contract award, no bidder shall contact the Procuring Entity on any matter related to the bid, except on request and prior written permission.
- iii) Any effort by the bidder to influence the Procuring Entity in bid evaluation, bid comparison or contract award decisions will vitiate the process and will result in the rejection of the bidder's bid. Such conditions, incurring in (i) & (ii) above shall be embedded in the Instructions to Bidders (1TB).

5.4.2 Unresponsive Tenders

Tenders that do not meet the basic requirements specified in the bid documents are to be treated as unresponsive (both during Techno-commercial evaluation and Financial Evaluation in case of Two Envelope bidding) and ignored. All tenders received will first be scrutinised by the dealing officer to see whether the tenders meet the basic requirements as incorporated in the Bid document and to identify unresponsive tenders, if any. Unresponsive offers may not subsequently be made responsive by correction or withdrawal of the non- conforming stipulation. Some important points on the basis of which a tender may be declared as unresponsive and be ignored during the initial scrutiny are:

- i) The tender is not in the prescribed format or is unsigned or not signed as per the stipulations in the bid document;
- ii) The required EMD has not been provided or exemption from EMD is claimed without acceptable proof of exemption;
- iii) The bidder is not eligible to participate in the bid as per laid down eligibility criteria (example: the tender enquiry condition says that the bidder has to be a enlisted contractor but the tenderer is not a enlisted contractor);
- iv) The bid departs from the essential requirements specified in the bidding document (for example, the tenderer has not agreed to give the required performance security); or

- v) Against a schedule in the list of requirements in the tender enquiry, the tenderer has not quoted for the entire requirement as specified in that schedule (example: in a schedule, it has been stipulated that the tenderer will supply the equipment, install and commission it and also train the Procuring Entity's operators for operating the equipment. The tenderer has, however, quoted only for supply of the equipment).

5.4.3 Minor Infirmary/ Irregularity/ Non-conformity

During the preliminary examination, some minor infirmity and/ or irregularity and/ or non-conformity may also be found in some tenders. Such minor issues could be missing pages/ attachment or illegibility in a submitted document; non-submission of requisite number of copies of a document. For example, the bidder submitted the amendment Bank Guarantee, but omitted to submit the main portion with Bid Document. These may be considered as minor irregularity. Such minor issues may be waived provided they do not constitute any material deviation (please also refer to Para 5.5.1 (iv) below) and financial impact and, also, do not prejudice or affect the ranking order of the tenderers. Wherever necessary, observations on such 'minor' issues (as mentioned above) may be conveyed to the tenderer by e-mail / through e-tendering portal, and so on, asking him to respond by a specified date also mentioning therein that, if the tenderer does not conform Procuring Entity's view or respond by that specified date, his tender will be liable to be rejected. Depending on the outcome, such tenders are to be ignored or considered further.

5.4.4 Clarification of Bids/ Shortfall Documents

During evaluation and comparison of bids, the Procuring Entity may, at his discretion, ask the bidder for clarifications on the bid. The request for clarification shall be given in writing by e-mail / through e-tendering portal, and so on, asking the tenderer to respond by a specified date, and also mentioning therein that, if the tenderer does not comply or respond by the date, his tender will be liable to be rejected. Depending on the outcome, such tenders are to be ignored or considered further. No change in prices or substance of the bid including specifications, shall be sought, offered or permitted. No post-bid clarification at the initiative of the bidder shall be entertained. The shortfall information/ documents should be sought only in case of historical documents which pre-existed at the time of the tender opening and which have not undergone change since then.

(Example: if the Permanent Account Number, GSTN number has been asked to be submitted and the tenderer has not provided them, these documents may be asked for with a target date as above). So far as the submission of documents is concerned with regard to qualification criteria, after submission of the tender, only related shortfall documents should be asked for and considered. For example, if the bidder has submitted a contract without its completion/ performance certificate, the certificate can be asked for and considered. However, no new contract should be asked for so as to qualify the bidder.

If the bidder cites any reference of a job executed for NRL and the bidder is not able to furnish documentary evidence, the internal records of shall be considered.

5.5 Evaluation of Responsive Bids

In case of single stage single envelope bidding, the evaluation of qualification of bidders,

technical, commercial and financial aspect is done simultaneously. In single stage multiple envelopes, initially only the techno-commercial bids would be opened and evaluated for bids which successfully meet the qualification criteria and techno-commercial aspects. Financial bids of such successful bidders only would be opened for selecting the L1 bidder (the lowest evaluated, substantially responsive, technically- suitable bid from eligible and qualified bidder) among these and in case of manual tenders, financial bids of techno-commercially unsuccessful bidders would not be opened or be returned unopened to them. In two stage bids, the PQB/ EOI stage would have already been evaluated as detailed in Chapter 3 and this second stage is for evaluation of responses to the Second Stage multiple envelopes from the shortlisted qualified bidders. Evaluation of techno-commercial and financial aspects are, however, discussed separately below.

5.5.1 Evaluation of Techno-commercial Bid

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

- i) **Evaluation of eligibility/ qualification Criteria:** Procuring Entity will determine, to its satisfaction, whether the tenderers are eligible, qualified and capable in all respects to perform the contract satisfactorily. Tenders that do not meet the required eligibility/ qualification criteria prescribed will be treated as unresponsive and not considered further. This determination will, inter-alia, take into account the tenderer's financial, technical and production capabilities for satisfying all of Procuring Entity's requirements as incorporated in the tender document. Such determination will be based upon scrutiny and examination of all relevant data and details submitted by the tenderer in its/ his tender as well as such other allied information as deemed appropriate by Procuring Entity.
- ii) **Evaluation of Technical Suitability:** The description, specifications, drawings and other technical terms and conditions are examined by technical member(s) of the Technical Recommendation Committee (TRC). Nobody outside the TRC should be allowed to determine this evaluation. Even if an external expert's advice and report is obtained, it is still the responsibility of the TRC to accept/ reject or modify the evaluation contained in such a report/ evaluation. The tender document should clearly state whether alternative offers/ makes/ models would be considered or not and, in the absence of an express statement to the effect, these should not be allowed. An important document is the exceptions/ deviation form submitted by the tenderer. It is important to judge whether an exception/ deviation is minor or major. Minor exceptions/ deviations may be waived provided they do not constitute any material deviation and do not have significant financial impact and, also, would not prejudice or affect the ranking order of the price bid. Exceptions/ deviations should not grant the tenderer any undue advantage vis- a-vis other tenders and Procuring Entity.

Evaluation of Technical Pre-Qualification Criteria, as stipulated in the tender documents (If any) - like (i) Minimum value of past experience in similar works, (ii) Criteria stipulated for acceptance of completion certificates / experience documents (iii) Requirement of supporting TDS certificates (wherever applicable) etc., shall be a part of the technical evaluation and technical recommendation.

- iii) **Evaluation of Commercial Conditions:** The Dealing Officer will also evaluate the commercial conditions quoted by the tenderer to confirm that all terms and conditions specified in the GCC/ SCC have been accepted without reservations by the tenderer. Only minor deviations may be accepted/ allowed, provided these do not constitute material deviations without financial impact and do not grant the tenderer any undue advantage vis-a-

vis other tenders and Procuring Entity. Rejection of any technically accepted bid on commercial grounds should be done as per provisions of DOA and reasons for such rejection(s) should be duly recorded.

- iv) **Considering Minor Deviations:** Bids which are not materially deviated, may be considered substantially responsive. Procuring entity is entitled to consider and allow minor deviations, which do not amount to material deviations. A material deviation, reservation, or omission which should not be waived are those that:
 - i) Affects, in any substantial way, the scope, quality or performance of the goods and related services specified in the contract;
 - ii) Limits, in any substantial way, inconsistent with the tendering documents, the procuring entity's rights or the tenderer's obligations under the contract; or
 - iii) If rectified, would unfairly affect the competitive position of other tenderers quoting substantially responsive tenders.
- v) **Declaration of Technically Compliant Bidders:** If it is a multiple envelope tender, then the TRC prepares a technical recommendation and Commercial dept. scrutinizes the commercial terms & conditions of the techno-commercial bid (Annexure 3) to declare **successful** bidders. The results of the Techno-commercial bid evaluation are to be announced (including informing the failed Bidders). Price bids are opened in the presence of technically suitable bidders, who are willing to attend the bid opening, at a pre-publicised date, time and place or on the portal in case of e-procurement. In single envelope/ cover tender, TRC prepares a technical recommendation and Commercial dept. scrutinizes the commercial terms & conditions of the techno-commercial bid to declare the successful bidder(s).

5.5.2 Right of Bidder to question rejection at Techno-commercial Stage

A tenderer shall have the right to be heard in case he feels that a proper procurement process is not being followed and/ or his Techno-commercial bid has been rejected wrongly. The tenderer is to be permitted to send his representation in writing (within definite timeline; refer 4.1.3 (vi)). On receipt of representation it may be decided whether to withhold opening of the financial bids and bidder may be expeditiously replied. Certain decisions of the procuring entity in accordance with the provision of internal guidelines shall not be subject to review as mentioned in para 5.7.3 below.

5.5.3 Evaluation of Financial Bids and Ranking of Tenders

In case of two/multiple bid system, priced bid shall be opened only after the techno-commercial evaluation is complete, for evaluation of Financial Bids and ranking of tenders:-

- i) **Unresponsive Tenders:** Unresponsive tenders may again be identified after Financial Bid opening, as in case of Technical Bid opening. If the price bid is ambiguous so that it may very well lead to two equally valid total price amounts, then the bid should be treated as unresponsive.
- ii) **Non-conformities between Figures and Words:** Sometimes, non- conformities/ errors are also observed in responsive tenders between the quoted prices in figures and in words. This situation normally does not arise in case of e-Procurement. This should be taken care by defining the treatment of bids in the tender documents in the manner indicated below:
 - i) If, in the price structure quoted for the requirements, there is discrepancy between

the unit price and total price (which is obtained by multiplying the unit price by the quantity, or the total price is not worked out by bidder), the unit price shall prevail and the total price corrected accordingly;

- ii) If there is an error in a total corresponding to the addition or subtraction of sub-totals, the sub-totals shall prevail and the total shall be corrected; and
 - iii) If there is a discrepancy between words and figures, the amount in words shall prevail.
 - iv) Such a discrepancy in an offer should be conveyed to the tenderer asking him to respond by a target date and if the tenderer does not agree to Procuring Entity's observation, the tender is liable to be rejected.
- iii) **Correction of Bids:** Tender document should indicate that the evaluated bid prices will be adjusted after taking into account: (a) correction for errors; (b) adjustments for any acceptable variations, deviations; and (c) adjustments to reflect any discounts or other modifications offered. Unless announced beforehand explicitly in the tender documents, the quoted price should not be loaded on the basis of deviations in the commercial conditions. If it is decided to incorporate such clauses, these should be unambiguous and clear - and thereafter there should be no relaxation during evaluation. Variations, deviations, or alternative offers and other factors which are in excess of the bidding documents or otherwise result in unsolicited benefits for the contractor should not be taken into account in bid evaluation. All duties, taxes and other levies payable by the bidder under the contract or for any other cause shall be included in the rates, prices and total bid prices, and considered in evaluation of bids. Bids should be checked for any arithmetical errors. These corrections shall be done in accordance with the provisions of the bidding document. In cases other than e-Procurement, the quoted rates in the bids shall be protected with lamination by the committee, if not done by the bidders. In accordance with the corrections as approved by the Tender opening Committee, the amount stated in the bid will be adjusted with the concurrence of the bidder, and shall be binding on him. If the bidder does not accept the corrected amount, the bid will be rejected and the bid security forfeited. The arithmetical corrections will be done by the representatives of the Finance & Commercial department.
- iv) **Financial Evaluation:** All responsive bids are evaluated by the TEC with a view to select the lowest (L1) bidder - the lowest evaluated, substantially responsive, bid which meets the eligibility/ qualification criteria and techno-commercial aspects.

5.5.4 Selection Through Lottery:

Selection of successful bidder(s) among multiple L1 bidders shall be determined through lottery in the following circumstances:-

- (i) Vehicle tenders where detailed estimate is displayed considering the bidder's capital and operational expenditure and margin.
- (ii) Manpower oriented tenders with displayed estimates.
- (iii) Other tenders with displayed estimates based on approved SOR.
- (iv) Other than above scenarios, where the prices of multiple L1 bidders remain same even after submission of revised priced bid / discount because of tie in the original prices.

The methodology for conducting lottery shall be specified in the tender documents. Commercial department shall conduct the lottery in presence of representatives from Finance and User department. The concerned bidders shall be invited to witness the lottery.

It may also be decided that in case the L1 agency selected through lottery refuses or fails to execute the job, the job (or balance part of the job) may be subsequently offered to any of the other L1

agencies (not selected for award so far), adopting appropriate selection process by NRL like lottery among the remaining interested agencies. Alternatively, a process for selection of wait listed L1 agency(ies) may be appropriately specified. Such conditions should be specified in the tender documents.

- In case of “refusal”, subsequent award to next eligible agency shall be done within original or extended offer validity.
- In case of “failure”, unexecuted quantities shall be offered to the next eligible agency within maximum one year from the original date of award.

Defaulting supplier/contractor shall be subject to penalties as per procedure.

5.6 Deliberations by the Tender Evaluation Committee

5.6.1 Timely Processing of Tenders

- i) Delays in finalising procurement deprive the public of the intended benefits and results in lost revenues and cost over-run. Currently, the contracts are generally awarded in 90 days from the date of tender opening. In order to further shorten the period for award of contract, the procuring entity should try to shorten the procurement decision period to 60 days from the date of opening of the tenders wherever possible. However, in exceptional cases, like two packet/two stage bidding, the period may be extended. To achieve the target of shorter processing period, an inter- departmental Service Level Agreement (SLA) may be accorded. The SLA should include responsibilities of all respective role holders along with activity wise allowable time frame.

Tentative time schedule of award of contract and tentative site hand over for start of work should be published in the Bid Documents. Every official in the chain of the procurement operation is accountable for taking action in a specified time so that the tender is finalised on time. Any deviation from the schedule may be monitored and explained, by way of internal review of respective functions.

- ii) It has been also noted that delay in decision making after opening of certain tenders is taking place because the Tender Committee (TEC), wherever in place, are not meeting frequently. In order to ensure that most of the tenders are decided as per the timelines as indicated in para above, the concerned TEC should meet to resolve issues if any at the earliest.

5.6.2 Extension of Tender Validity Period

The entire process of scrutiny and evaluation of tenders, preparation of ranking statement and notification of award must be done expeditiously and within the original tender validity period. The validity period should not be unreasonably long as keeping the tender unconditionally valid for acceptance for a longer period entails the risk of getting higher prices from the tenderers.

If, however, due to some exceptional and unforeseen reasons, the purchase organisation is unable to decide on the placement of the contract within the original validity period, it may preferably request, before expiry of the original validity period, all the responsive tenderers to extend their tenders up to a specified period. While asking for such extension, the tenderers are also to be asked to extend their offers as it is, without any changes therein. They may also be told to extend the validity of the EMD for the corresponding additional period (which is to be specified in the request). A tenderer may not agree to such a request and this will not lead to forfeiture of its EMD. But the tenderers, who agree to extend the validity, are to do so without changing any terms, conditions, and so on, of their original tenders. Reasons for seeking extension of bid validity should be recorded by the procuring officers.

5.6.3 Reasonableness of Prices

In every recommendation of the TEC for award of contract, it must be declared that the rates recommended are reasonable. The comparison maybe made with the similar contracts awarded elsewhere. The Last Purchase Price (LPP) maybe updated taking into consideration inflation during the interim period and geographical conditions etc.

5.6.4 Consideration of Abnormally Low Bids

An Abnormally Low Bid is one in which the Bid price, in combination with other elements of the Bid, appears so low that it raises material concerns as to the capability of the Bidder to perform the contract at the offered price. Procuring Entity may in such cases seek written clarifications from the Bidder, including detailed price analyses of its Bid price in relation to scope, schedule, resource mobilization, allocation of risks and responsibilities, and any other requirements of the bids document. If, after evaluating the price analyses, procuring entity determines that the Bidder has *substantially failed* to demonstrate its capability to deliver the contract at the offered price, the Procuring Entity may reject the Bid/ Proposal. However it would not be advisable to fix a normative percentage below the estimated cost, which would automatically be considered as an abnormally low bid.

As a safeguard, it should be closely monitored by the EIC that final payments in such cases do not abnormally increases due to extra items. Further, there is no abnormal increase in quantities of the item for which contractors have initially quoted very high rates.

In case of abnormal rates (both low and high), the L1 bidder's confirmation to bridge the gap by providing necessary discount in case of any vitiation of L1 position after execution, should be sought before finalization of the contract.

5.6.5 Cartel Formation/ Pool Rates

It is possible that sometimes a group of bidders quote the same rate against a tender where they were at liberty to quote any competitive price. Such pool/ cartel formation is against the basic principle of competitive bidding and defeats the very purpose of an open and competitive tendering system. A warning clause may also be included in the bid documents to discourage the bidders from indulging in such practices.

5.6.6 Negotiations

- i) Normally, there should be no negotiation. Negotiations should be a rare exception rather than the rule and may be resorted to only in exceptional circumstances. If it is decided to hold negotiations for reduction of prices, they should be held only with the lowest acceptable bidder (L1), who is techno- commercially responsive for the supply of a bulk quantity and on whom the contract would have been placed but for the decision to negotiate. In no case, including where a cartel/ pool rates are suspected, should negotiations be extended to those who had either not tendered originally or

whose tender was rejected because of unresponsiveness of bid, unsatisfactory credentials, inadequacy of capacity or unworkable rates. The circumstances where negotiations may be considered could be:

- a) Where the procurement is done on nomination basis;
 - b) Procurement is from single or limited sources;
 - c) Procurements where there is suspicion of cartel formation which should be recorded; and
 - d) Where the requirements are urgent and the delay in re-tendering for the entire requirement due to the unreasonableness of the quoted rates would jeopardise essential operations, maintenance and safety, negotiations with L1 bidder(s) may be done for bare minimum quantum of requirements. The balance bulk requirement should, however, be procured through a re- tender, following the normal tendering process.
- ii) The decision whether to invite fresh tenders or to negotiate and with whom, should be made either by the procuring department or the TEC. Convincing reasons must be recorded by the authority recommending negotiations. The CA should exercise due diligence while accepting a tender or ordering negotiations or calling for a re-tender and a definite timeframe should be indicated.
- iii) Normally all counter offers are considered negotiations by other means and the principles of negotiations should apply to such counter offers. For example, a counter offer to L1, in order to arrive at an acceptable rate, shall amount to a negotiation. However, any counter offer to L2, L3, and so on (at the rates accepted by L1) in case of splitting of quantities shall not be deemed to be a negotiation.
- iv) After the CA has decided to call a specific bidder for negotiation, the following procedure should be adopted:
- a) It must be understood that, if the period of validity of the original offer expires before the close of negotiations, the original offer will not be available for acceptance. The period of validity of the original offer must, therefore, be extended, wherever necessary, before negotiations;
 - b) The tenderer to be called in for negotiations should be addressed as per the format of letter laid down in Annexure 4, so that the rates originally quoted by him shall remain open for acceptance in the event of failure of the contemplated negotiation;
 - c) A negotiations meeting should be started only after obtaining a signed declaration from the negotiating contractor as per Annexure 4; Mode of negotiation may be either through e-mail, telephonic, video-conferencing, or across-the-table;
 - d) Revised bids/prices should be obtained in writing from the selected tenderers at the end of the negotiations in the format of letter laid down in Annexure 5. The revised bids so obtained should be read out to the tenderers or their representatives present, immediately after completing the negotiations. If necessary, the negotiating party may be given some time to submit its revised offer. In case, however, the selected bidder prefers to send a revised bid instead of being present at the negotiation, the offer should be taken into account. In case a bidder does not submit the revised bid, its original bid shall be considered.
- v) No upward revision post opening of the price bid shall be accepted.

- vi) Where the Negotiating Committee, after scrutiny/analysis of rates as furnished by the tenderer and after negotiation, reaches a conclusion that the rates offered are unrealistic **but does not** contravene minimum statutory requirements or tender conditions they will record such conclusions and will recommend the job to be awarded on a trial basis for a period as may be specified.
- vii) If recommendation as at (vi) above is accepted the TEC will submit its recommendation with clear stipulation of the trial quantity and conditions thereof. One of such conditions could be that if the contractor/supplier fails to mobilise/deliver on time or delivers substandard services/products, the work order/PO shall stand automatically withdrawn (after written notice) and the SD shall stand forfeited.
- viii) **Committee for Conducting Negotiations:** Negotiations, if necessary, shall be conducted by committee duly authorized by the competent authority as per **DOA**. A representative from finance function must be present at negotiations. All negotiation committee members shall try to ensure their availability at the date & time scheduled for the negotiation. The negotiation should be completed in a time-bound manner within reasonable time without delay.
- ix) A summary of negotiations shall be recorded, duly signed by all the negotiation committee members.
- x) TEC note (after negotiation) should also contain all relevant facts such as:
 - a) Reasons for negotiation
 - b) Standing of Quotes before negotiation.
 - c) Outcome of negotiation and resultant reduction in the quote etc., if any.
 - d) Recommendations

5.6.7 Consideration of Lack of Competition

Sometimes, against open/ limited tender cases, the procuring entity may not receive a sufficient number of bids and/ or after analysing the bids, ends up with only one responsive bid - a situation referred to as 'Single Offer'. **Such situation of 'Single Offer' is to be treated as Single Tender.** The contract may be placed on the 'Single Offer' bidder provided the quoted price is reasonable. However restricted powers of Single tender mode of procurement would apply. Before retendering, the procuring entity is first to check whether, while floating/ issuing the enquiry, all necessary requirements and formalities such as standard conditions, industry friendly specification, wide publicity, sufficient time for bidding, and so on, were fulfilled. If not, a fresh enquiry is to be issued after rectifying the deficiencies. It is possible that there may be single offer situation against open tenders and there may be tendency to go for re-tender as a safe course of action. Re-bidding has costs: firstly the actual costs of retendering; secondly the delay in execution of the work with consequent delay in the attainment of the purpose for which the procurement is being done; and thirdly the possibility that the re-bid may result in a higher bid. Lack of competition shall not be determined solely on the basis of the number of bidders. Even when only one bid is submitted, the process may be considered valid provided following conditions are satisfied:

- i) The procurement was satisfactorily advertised (publicized in notice boards, websites etc.)

and sufficient time was given for submission of bids;

- ii) The qualification criteria were not unduly restrictive; and
- iii) Prices are reasonable in comparison to market values

However restricted powers of Single tender mode of procurement would apply. In case of price not being reasonable, negotiations or retender may be considered as justifiable. Unsolicited offers against LTEs should be ignored.

5.6.8 Rejection of All Bids/ Re-tender

- i) The Procuring Entity may cancel the process of procurement or reject all bids at any time before intimating acceptance of successful bid under circumstances mentioned below. In case where responsive bids are available, the aim should be to finalise the tender by taking mitigating measures even in the conditions described below. If it is decided to rebid the tender, the justification should balance the perceived risks in finalisation of tender (marginally higher rates) against the certainty of resultant delays, cost escalations, loss of transparency in re-invited tender. After such decision, all participating bidders would be informed and bids if not opened would not be opened:
 - a. If the quantity and quality of requirements have changed substantially or there is an un-rectifiable infirmity in the bidding process;
 - b. when none of the tenders is substantially responsive to the requirements of the Procurement Documents;
 - c. none of the technical Proposals meets the minimum technical qualifying score;
 - d. If effective competition is lacking. However, lack of competition shall not be determined solely on the basis of the number of Bidders. (Please refer to para above also regarding receipt of a single offer).
 - e. the Bids'/ Proposals' prices are substantially higher than the updated cost estimate or available budget;
 - f. In case, the bidder, whose bid has been found to be the lowest evaluated bid withdraws or whose bid has been accepted, fails to sign the procurement contract as may be required or fails to provide the security as may be required for the performance of the contract or otherwise withdraws from the procurement process, the Procuring Entity shall re- tender the case.
- ii) Approval for cancellation of tender should be accorded by the CA after recording the reasons/ proper justification in writing. The Procuring Entity should review the qualification criteria, and technical and commercial terms of the tender before re-tendering and also consider wider publicity to attract an adequate number of responses. The decision of the procuring entity to cancel the procurement and reasons for such a decision shall be immediately communicated to all bidders that participated in the procurement process. Before retendering, the procuring entity is first to analyse the reasons leading to cancellation and check whether, while floating/ issuing the enquiry, all necessary requirements and formalities such as standard conditions, industry friendly qualification criteria, and technical and commercial terms, wide publicity, sufficient time for bidding, and so on, were fulfilled. If not, a fresh enquiry/tender is to be issued (where required) after rectifying the deficiencies.

- iii) Authority for approval of cancellation of tender shall be as per clause 7.5.11(iii) of the “Manual for Procurement of Goods”.

5.6.9 Handling Dissent among Tender Evaluation Committee

Tender Evaluation Committee duties are to be discharged personally by the nominated officers. They may take help of their subordinate officers by way of reports/ evaluations, but they would still be answerable for such decisions. TEC members cannot co-opt or nominate others to attend deliberations on their behalf. TEC deliberations are best held across the table and not through circulation of notes/comments/e-mails etc.

All members of the TEC should resolve their differences through personal discussions instead of making to and fro references in writing. In cases where it is not possible to come to a consensus and differences persist amongst TC members, the reasons for dissent of a member should be recorded in a balanced manner along with the majority's views on the dissent note. The final recommendations should be that of the majority view. However, such situations should be rare.

5.6.10 Independence, Impartiality, Confidentiality and 'No Conflict of Interest' at all Stages of Evaluation of Bids

All technical, commercial and finance officials who have contributed to the techno- commercial or financial evaluation of bids should deal with the procurement in an independent, impartial manner and should have no conflict of interest in the form of any liaison or relationship with any of the bidder involved in the procurement. They should also maintain confidentiality of the information processed during the evaluation process and not allow it to reach any unauthorised person. All TEC members should sign a declaration at the end of their reports/ noting stating that, "*Members of the tender committee undertake that none of them has any personal interest in the Companies/ Agencies participating in the tender process*". TEC members may make such a declaration at the end of their reports. In case a Tender Evaluation Committee is constituted to purchase or recommend the procurement, no member of the Tender Evaluation Committee should be reporting directly to any other member of such Committee, to ensure independent expression of views.

5.6.11 Tender Evaluation Committee Recommendations/ Report

The procuring department has to make formal recommendations (Annexure 3) for the award of the contract to the bidder whose bid has been determined to be substantially responsive and the lowest evaluated bid, provided further that the bidder is determined to be qualified to perform the contract satisfactorily and his credentials have been verified.

Detailed “Procedure for verification of bidder credentials” (mandatory for L1 bid price of Rs.5

crore and above) is provided in “Annexure 15”

It is a good practice that procuring department should spell out salient terms and conditions of the offer(s) recommended for acceptance. It should also be ensured by the procuring department that any deviation/ variation quoted by the bidder in his bid are not left un-deliberated and ruled upon; otherwise there may be delay in acceptance of the contract by the contractor. These recommendations are submitted for approval to the tender accepting authority (TEC). In any purchase decision, the responsibility of the CA (TEC) is not discharged merely by selecting the cheapest offer or accepting the recommendations but ensuring whether:

- i) Offers have been invited in accordance with this manual and after following fair and reasonable procedures in prevailing circumstances;
- ii) The selected offer will adequately meet the requirement for which it is being procured;
- iii) The price of the offer is reasonable and consistent with the quality required; and
- iv) The accepted offer is the most appropriate taking all relevant factors into account in keeping with the standards of financial propriety.
- v) Tender Committees, while recommending the purchases/contracts on singletender basis, shall ascertain as to whether prior approval of the Competent Authority has been obtained as required under **DOA**.
- vi) Such tenders where earnest money has not been deposited by the contractor in accordance with the general conditions of contract and no exemption has been granted shall be rejected.
- vii) Tenders received shall be considered for commercial considerations relating to terms of supply, payments, etc. prior to opening of priced bids. Issue of technical suitability should not be raised once the price bids are opened.
- viii) When limited tender enquiries are issued to shortlisted firms, issues like proven performance and technical capabilities must be settled well in advance through well defined Pre-Qualification Criteria and enquiries may be issued only to firms technically and otherwise competent. Once the price bid is opened these issues should not be a cause for rejection.

However, where economic or technical competence has deteriorated after the issue of tender enquiry to a party, such party's offers may be considered for rejection on the merits of the case. This point should be incorporated in the bid document itself.

- ix) As far as possible only firm price shall be accepted. No escalation of rates either of the cost of materials or for wages shall normally be accepted.
- x) No conditions for claims on account of the idle time shall be agreed upon.
- xi) That the work has been administratively approved and detailed estimates sanctioned by the competent authorities.
- xii) That the mode of tendering adopted is in accordance with the general instructions in this

regard or any specific relaxations made by the competent authority.

- xiii) To ensure that all tenders received in time are incorporated in the comparative statement correctly and the additional conditions quoted by the tenderers have been evaluated in financial terms so as to bring the tenders on a uniform level for the purpose of comparison.
- xiv) That the proposed terms and conditions are clear, unambiguous and with adequate financial safeguards.
- xv) In cases where negotiations have been carried out, the same have been done after the approval of the competent authority and record of negotiations at various stages as signed (or agreed in writing) by the participants has been kept.
- xvi) That the value particulars shown in the tenders are arithmetically accurate wherever the system generated reports are not available. Random test check shall be carried out in case of computer generated reports. Item rates and all other pricing elements like delivery / inspection / transportation charges, taxes & duties and total financial implication should be cross-checked.

TEC approval should be obtained based on the estimated cash outflow for the entire tendered quantity, including provision for extensions / enhancements as may be provided in the tender document.

5.7 Award of Work

After the acceptance of these recommendations by the tender accepting authority (TEC), the Work Order or Letter (Notification) of Award (LOA) can be issued.

LOA / Work Orders incorporating all the terms and conditions agreed to with the tenderer shall be placed within the validity periods of the tenders proposed for acceptance. When the original validity periods have expired, suitable extensions shall be obtained before the orders are issued.

To ensure that the supplier has received the LOA / Work Order and that he is taking necessary steps to arrange supplies/execution, he may be asked to acknowledge receipt of the order, preferably by signing and returning a copy (by email / courier / post etc.) of the purchase/work order sent. Such acknowledgement is not mandatory when the bidders offer has been accepted in entirety, without any modifications; or with modifications agreed by the bidder.

Bids awarded in GeM Portal shall be dealt as per provisions therein.

5.7.1 Work Order / LOA to Successful Bidder

The successful bidder will be notified by issuance of a digitally signed work order (WO) with detailed terms & conditions like items/quantities to be supplied with rate, delivery schedule, payment term, etc. and sent through any foolproof method like e-mail or through tender portal. In case of any constraints in issuing system WO, a letter of acceptance (LoA) may be issued briefly indicating therein relevant details such as quantity, specification of the goods ordered, prices, and so on. Detailed system generated WO (against LoA) should be issued at the earliest. A template for the Letter of Acceptance is given in Annexure 6. In the work order, the successful tenderer is to be instructed to furnish the required initial security deposit within a specified period [generally 21 (twenty-one) days].

In the Work Order / LOA:

- The contract value shall be the total awarded value of items, excluding any provision for 'reimbursement items'. Provision for 'reimbursement items' shall be separately mentioned. GST rate shall be separately mentioned.
- The terms and conditions for grant of "Mobilisation Advance" required, if any shall be clearly spelt out.
- The name/designation of the Engineer-In-Charge / Admin-In-charge shall also be indicated. Where tender documents include the GPC/GCC, SCC and schedule of requirements, the PO/LoA will result in a binding contract.

Contract Agreement:

If specified in the Special Conditions of Contract, the successful Tenderer shall be required to execute an Agreement in the Proforma attached to the Tender Document / Work Order. Such agreement shall be submitted within ten (10) days of the receipt of the notification of Acceptance of tender by him (21 days in case of GTE).

While finalising the agreement, the following points shall be kept in view: -

- i) That the agreement should be on a stamp paper in the prescribed proforma.
- ii) The agreement shall include work order number & date, job name, name & address of the contractor. The agreement shall be duly signed & sealed by the authorized signatory of the contractor as well as NRL.
- iii) Whenever considered necessary, the draft agreement shall be finalised after obtaining advice from legal department.
- iv) The terms and conditions of the contract once entered into shall not be materially varied without valid reasons and without the approval of the competent authority.

After the contract agreement is signed, the original shall be kept in safe custody of the Commercial Department. One copy shall be given to the contractor, another one shall be given to Finance and one copy will be given Engineering-in- Charge / Admin-in-charge.

In case of non-submission of contract agreement within the specified period of 10 days or till first bill is due for payment, his first bill shall not be processed until the contract agreement is submitted and signed.

For works costing Rs.10,00,000/- or below, it will not be necessary to have a written contract agreement.

Clarification / Clearance from Legal, P&A and Other Departments:

Should there be any points needing clarifications / clearance from Legal/P&A Departments, with regard to terms and conditions of the contract, the same will be done prior to issuing the Letter of Acceptance / Contract Letter / POs. In respect of any contracts which involve committing Company's infrastructural facilities or giving permission for sub-contracting which involves deployment of contract labour, separate vetting will have to be obtained from officers in P&A Dept dealing with administration and contract labour deployment. In respect of proposals involving foreign parties involving royalty, technical know-how, consultancy etc. where multiple tax implications are involved, separate vetting shall be obtained from officers of finance department dealing with direct and indirect taxes.

5.7.2 Publication of Tender Results and Return of EMD of Unsuccessful Bidders

A report of contracts awarded above value Rs.5 lakhs should be publish on the website. Upon the successful bidder furnishing the signed agreement/order acceptance, each unsuccessful bidder will be promptly notified and their bid security be returned without interest within 30 (thirty) days of notice of award of contract. The successful contractor's bid security shall be adjusted against the SD or returned as per the terms of the tender documents.

5.7.3 Bidder's right to question rejection

A tenderer shall have the right to be heard in case he feels that a proper procurement process is not being followed and/ or his tender has been rejected wrongly. The tenderer is to be permitted to send his representation in writing. Bidding documents should explicitly mention the name, designation and contact details of officers nominated to receive representations in this regard. The procuring entity should ensure a decision normally within 15 (fifteen) days of the receipt of the representation. Only a directly affected bidder can represent in this regard:

- i) Only a bidder who has participated in the concerned procurement process i.e. pre-qualification, bidder enlistment or bidding, as the case may be, can make such representation
- ii) In case pre-qualification bid has been evaluated before the bidding of technical/ financial bids, an application for review in relation to the technical/ financial bid may be filed only by a bidder who has qualified in pre-qualification bid;
- iii) In case technical bid has been evaluated before the opening of the financial bid, an application for review in relation to the financial bid may be filed only by a bidder whose technical bid is found to be acceptable

Following decisions of the procuring entity in accordance with the provision of internal guidelines shall not be subject to review:

- a) Determination of the need for procurement;
- b) Selection of the mode of procurement or bidding system;
- c) Choice of selection procedure;
- d) Provisions limiting participation of bidders in the procurement process;
- e) The decision to enter into negotiations with the L1 bidder;
- f) Cancellation of the procurement process except where it is intended to subsequently re-tender the same requirements;
- g) Issues related to ambiguity in contract terms may not be taken up after a contract has been signed, all such issues should be highlighted before consummation of the contract by the vendor/ contractor; and
- h) Complaints against specifications except under the premise that they are either vague or too specific so as to limit competition may be permissible.

5.7.4 Security Deposit

The contractor receiving the LOA is required to furnish the required security deposit, if it is part of

tender conditions, in the prescribed form.

5.7.5 Framing of Contract

The following general principles should be observed while entering into contracts:

- i) Any work order shall be issued strictly as per approval of TEC. The terms of contract must be complete, precise, definite and without any ambiguities. The terms should not involve an uncertain or indefinite liability, except in the case of a cost plus contract or where there is price variation in the contract. In other words, no contract involving an uncertain or indefinite liability or any condition of an unusual character should be entered into without the previous consent of the CA.
- ii) All contracts shall contain a provision for
 - a) Recovery of liquidated damages (LD) for delay in performance of the contract on the part of the contractor;
 - b) A warranty clause/ defect liability clause should be incorporated in contracts for plant & machinery and works, above a threshold value of Rs.10 lakhs, requiring the contractor to, without charge, replace, repair or rectify defective goods/ works/ services; However, warranty clause/ defect liability clause may be applied even for contracts of lower value, on case to case basis if decided by indenting department.
 - c) All contracts for supply of goods should reserve the right of the procuring entity to reject goods which do not conform to the specifications;
 - d) Payment of all applicable taxes by the contractor; and
 - e) When a contract is likely to endure for a period of more than two years, it should, wherever feasible, include a provision for an unconditional power of revocation or cancellation by the procuring entity at any time on the expiry of prior notice in writing to that effect.
 - f) How the appointed day or day of starting of the work shall be determined.
- iii) Standard forms of contracts should be invariably adopted, except in following cases:
 - a) LOA/Order issued against Spot procurement, Departmental orders, Online procurement containing basic terms and conditions.
 - b) In cases where standard forms of contracts are not used or where modifications in standard forms are considered necessary in respect of individual contracts, legal and financial advice should be taken in drafting the clauses in the contract and approval of CAs is to be obtained; and

5.7.6 Procurement Records

The Procurement file should start with the indent and related documents. All subsequent documents relating to procurement planning; Copy of Bid Document and documents relating to its formulation, publishing and issue/ uploading; Bid Opening; Bids received; correspondence and documents (including Technical Evaluation and TEC report) relating to pre-qualification, evaluation, Award of Contract; and finally the contract copy, should be kept on the file. In case of bulky bids received, all bids received may be kept in a separate volume, with a copy of accepted bids later being put on the

main volume. To maintain integrity of the records relating to procurement, these files should be kept secure and for contract management a new volume of file may be opened to obviate frequent exposure of sensitive procurement file. In contract management volume, copies of successful bid, Tender Committee Report & Contract may also be kept for ready reference, besides correspondence and documents relating to Contract Management and its closure. In case the documents are preserved in electronic mode adequate information security & access control mechanism should be maintained.

These documents can be very valuable at the time of arbitration, dispute, court proceedings, claims etc. and hence needs to be safeguarded.

5.7.7 Provision for Repeat Orders

Where the same material has been purchased or work contracted before, repeat order may be placed, provided the following conditions are satisfied and so recorded:

- I. The repeat order should be placed within 12 months of the issue of the original order.
- II. The total value of all repeat orders put together should not exceed the original order value.
- III. Similarly all repeat order/s quantity put together should not exceed the original ordered quantity.
- IV. There has been no reduction in the rates of similar materials / jobs in the market since the original order was placed.
- V. The original order was placed on “L1” basis as a result of a regular enquiry.
- VI. It is implied that Repeat Orders will be placed only on the party on whom the original order was placed.

Approval for placement of Repeat Order shall be given as per provisions of DOA.

Chapter 6: Execution and Monitoring of Works and Quality Assurance

6.1 Execution and Monitoring of Work

No work shall be commenced unless the conditions precedent as laid down in Para 1.9 (x) have been fulfilled.

6.1.1 A competent Project Management Team shall be set up including training on Project Management to the team, if required.

6.1.2 Monitoring System: A system of project monitoring for each work shall be prepared before start of the work and same shall be available at site of work. 'Deadlines' or 'contractual milestones' should be set up and tabulated to facilitate monitoring of the progress of work. The work shall be monitored quarterly/ monthly basis by the Works Committee and a status report should be submitted to the CA.

All complex assignments require the use of proper project management tools that enable the contract management team (procuring entity, engineer, project manager, etc.) to collaboratively monitor the actual; physical and financial progress of the contract against the planned physical and financial schedule. The contract may also specify that the contractor engage certified project management professionals to train and monitor project progress (e.g.: **PMI** certified engineers). There are many project management tools and software programmes that are extremely useful for the contract management team. Some of the common software programmes are (no endorsements are intended, there are many more such software available): Microsoft Project and Portfolio Management (MS PPM) and Oracle Primavera P6 Professional Project Management (P6 PPM).

6.1.3 Fulfilling the Conditions Precedent to Land Acquisition and Other Clearances and Permits: The process of land acquisition shall be started by the Procuring Entity, well ahead and completed entirely, or at least substantially, by the time the contract is awarded. The Procuring Entity shall also seek requisite Statutory Approvals/ Permission/ Clearances/ Certificates from the concerned Local Bodies & Statutory Authorities like District Authorities, Municipal Corporation, Panchayati Raj

Institutions, Town Planning Board, Electricity Board/ Fire Department, State/ Central Pollution Control Boards, State/ Central Environmental Authorities, Forest and Wild- life authorities etc (for e.g. removal of trees, re-locating utilities; conversion of railway level crossings, laying of railway sidings needed by the project; rehabilitation and resettlement of persons affected by the project; traffic control; mining of earth and stone; interfering protected monuments; blasting permission, environmental/ forest/ wild-life clearances; and shifting of religious shrines etc), so that the progress of work is not impeded and incidence of delay claims by the contractor avoided. The Procuring Entity has to be aware that any delay in fulfilling the conditions precedent stipulated in the contract will attract delay claims from the contractor, besides causing time and cost overruns. Hence, all or most conditions precedent shall be fulfilled before award of the LoA. The contractor shall give all notices and obtain all other necessary permits and approvals as may be required for the construction of the contract works and shall pay for all such permits and approvals.

6.1.4 Commencement of Work: After signing the contract and issue of LoA, the engineer should instruct the contractor to 'commence the works', only after all the above mentioned land availability, clearances and permits have been obtained. The contractor, within the stipulated time, should submit to the engineer for his consent, as may be applicable: (i) the work programme in such form and detail as the engineer reasonably prescribes; (ii) methods statement which the contractor proposes to adopt for execution of the works; and (iii) the quality assurance plan. The Procuring Entity should on being satisfied with Contractor's submission provide to the contractor total or partial possession of the site.

6.1.5 Approval of Quarries and Borrow Areas and Materials: The contractor will obtain approval of the engineer for each quarry and borrow area to be used in the project, prior to commencement of quarrying and/ or borrow area excavation activities. All materials (whether natural, processed, manufactured, or designed) proposed by the contractor to be used on the works shall be first approved by the EIC to comply with the requirements of specifications.

6.1.6 Sub-contracting: The works contract may provide for the contractor to get specified works executed from sub-contractors included in the pre-qualification application or later agreed to by the Procuring Entity, with a caveat that the responsibility for all sub-contract work rests with the prime contractor. Sub-contracting will generally be for specialized items of work, such as reinforced earth retaining walls, pre-stressing works, and so on. Procurement of material, hire of equipment or engagement of labour will not mean sub-contracting.

The total value of sub-contracting work will not be above 50% of the contract on original SOR basis.

6.1.7 Safety at Work Site: The Contractor must ensure safety of workmen as well as safety for the general public during construction in and around work-site. He must follow the laws, codes and standards laid down in this regard. The work-men must be trained and provided protective gear, life-saving equipment and appropriate tools for their jobs. Special precautions must be used if hazardous chemicals are used or stored at workplace (lead, silica, asbestos and wood/stone that will be cut and generate dust, construction materials containing zinc, cadmium, beryllium and mercury). Besides protection from noise and environmental pollution, public must also be safeguarded from falling through dug-up area, electrocution, flooding, falling objects, bridge-span dropping/ failures, crane falling/ overturning and damage to building from vibrations/ cave-ins from construction activities. Engineer must ensure that contractor does not adopt any short-cut in this regard. Most large contracts have a well defined Safety Health & Environment (HSE) guidelines embedded in the contract/agreement. Appointment of site safety engineer by the contractor is a mandatory requirement in such cases. The engineer shall engage safety experts to carry out frequent HSE audits and mandate correct measures.

6.1.8 Progress Reporting & Review: There should be a stipulation in the contract for large value works (Contract value Rs. 50 Crore and above), for the contractor to submit project specific monthly progress report of the work. The progress report shall contain the following apart from whatever else may be required to be specified:

- i) Project information, giving the broad features of the contract.
- ii) Introduction, giving a brief scope of the work under the contract and the broad structural or other details.
- iii) Construction schedule of the various components of the work, through a bar chart for the next three quarters for as may be specified, showing the milestones, targeted tasks and up to date progress.
- iv) Progress chart of the various components of the work that are planned and achieved, for the month as well as cumulative up to the month, with reasons for deviations, if any, in a tabular format.
- v) Plant and machinery statement, indicating those deployed in the work, and their working status.
- vi) Man-power statement, indicating individually the names of all the staff deployed in the work along with their designations.
- vii) Financial statement, indicating the broad details of all the running account payments received up to date, such as gross value of work done, advances taken, recoveries effected, amounts withheld, net payments, details of cheque payments received, etc.
- viii) A statement showing the extra and substituted items submitted by the contractor, and the payments received against them, broad details of the bank Guarantees, indicating clearly their validity periods, broad details of the insurance policies taken by the contractor, if any, the advances received and adjusted from the department, etc.
- ix) Progress photographs, in colour, of the various items/ components of the work done up to date, to indicate visually the actual progress of the work.
- x) Quality assurance and quality control tests conducted during the month, with the results thereof.
- xi) Any hold-up shall be specified.
- xii) Dispute, if any, shall also be highlighted.
- xiii) Monthly or fortnightly progress review by engineer and Procuring Entity with contractor may be necessary to ensure that contractor deploys sufficient resources to meet the deadlines.

6.2 Quality Assurance

6.2.1 A multi-disciplinary in-house team of professionals/ engineers will inspect, verify and control the quality of work to the desired standard as per contractual terms & specifications.

6.2.2 In case of non-availability of qualified professionals/ engineers in house for the purpose, then the approval of competent authority shall have to be taken for deploying professionals from outside agencies. The provision for third party quality check may also be considered for a work beyond a specified amount.

6.3 Design Approvals

In case of EPC contracts approval of the designs should be taken from the appropriate authority, as defined in the tender document, to ensure that the performance level are met by the design.

6.4 Time Monitoring

6.4.1 Time At Large

When the Procuring Entity does not explicitly express and reserve its rights and remedies under the contract for delays in execution, it legally forfeits his right to such remedies. Under such circumstances Time is said to become at large and the contractor gets freed from his obligation to complete within the specified time. To avoid such a situation, before the expiry of originally stipulated date of completion, the Procuring Entity should extend the currency of the contract/agreement and set a new time limit for completion and make the extended time as essence of the contract, stipulating that this is being done without prejudice to his right to recover damages and other remedies as per the contract.

6.4.2 Force Majeure (FM) Clause

A Force Majeure (FM) means extraordinary events or circumstance beyond human control such as an event described as an act of God (like a natural calamity) or events such as a war, strike, riots, rebellion or sabotage, lockouts, crimes, hostility, acts of public enemy, civil commotion, fires, explosions, floods, earthquakes, epidemics, quarantine restrictions and freight embargoes (but not including negligence or wrong-doing, predictable/seasonal rain and any other events specifically excluded in the clause). An FM clause in the contract frees both parties from contractual liability or obligation when prevented by such events from fulfilling their obligations under the contract. An FM clause does not excuse a party's non-performance entirely, but only suspends it for the duration of the FM. The firm has to give notice of FM as soon as possible and it cannot be claimed ex-post facto. There may be a FM situation affecting the purchase organisation only. In such a situation, the purchase organisation is to communicate with the supplier along similar lines as above for further necessary action. If the performance in whole or in part or any obligation under this contract is prevented or delayed by any reason of FM for a period exceeding 90 (ninety) days, either party may at its option terminate the contract without any financial repercussion on either side.

Any delays in or failure of the performance of either party hereto shall not constitute default hereunder or give rise to any claims for damages, if any, to the extent such delays or failure of performance is caused by force majeure.

6.4.3 Delays in Execution

- i) A work may be completed ahead of schedule or delayed due to unforeseen fortuitous circumstances, extra effort or developments beyond the control of the procuring entity or the tenderer and it is sometimes difficult to apportion credit or responsibility. The contractor may experience delay or disruption due to his own actions or inaction, those of his sub-contractor or other contractors, those of the procuring entity or the engineer, or other causes. Such delays expose the non- performing party to various sanctions under the contract. These sanctions include extension of time, damages or default termination of the contract. While examining the

request of the contractor for extension of time, the engineer shall consider all circumstances and categorise the delays as follows:

- a) **Excusable delays** - Force Majeure (FM), that is, acts of God, abnormal weather, floods, and so on, applies;
 - b) **Compensable delays** - or Compensation Events, which put full burden of responsibility on the Procuring Entity as covered in the GCC; and
 - c) **Inexcusable delay (contractor's own faults)**, which puts the full burden of responsibility on the contractor.
 - d) **Concurrent delays** - when two or more events responsible for delay overlap each other. The **delays** may be attributable to the Procuring Entity or the contractor or none, and fall in above categories. The eligibility for extension of time (EOT) should be determined by plotting each contributing concurrent delay on the critical path. The Procuring Entity should see that the concurrent delays do not result in unnecessary extra extension of time.
- ii) Once the delay is categorised, it should then be determined not only whether the contractor is eligible for time extension and/ or monetary relief but also whether sanctions, such as Liquidated Damage (LD) or default termination, can be imposed on the contractor.

6.4.4 Liquidated Damages and Incentives/Bonus

Normally, tenders shall be invited with reference to a pre-determined period of completion of works. Provision of incentives for completion of work before schedule should be sparingly made after careful assessment of tangible benefits there from and disclosed in the tender documents in clear monetary terms.

Incentives/Bonus (e.g. one percent of the contract value per month subject to a maximum of five percent of contract value) for early completion and penalties for delay should, therefore, be built into the contract very judiciously. To avail of the incentive clause, it shall be mandatory on the part of the contractor to report the actual date of completion to the concerned Engineer (Engineer herein refers to EIC). To implement a bonus clause in any tender, prior administrative approval of CFD shall be obtained by indenting/user department.

In case of delay in completion of the contract, liquidated damages should be levied. The penalties proposed for identified lapses of omission or commission must be disclosed in the tender documents in clear monetary terms.

Liquidated Damages: Compensation of loss on account of late delivery (actually incurred as well as notional) where loss is pre-estimated is termed as LD. Recovery of such pre-estimated loss is allowed provided such a term is included in the contract. There is no need to establish actual loss due to late delivery. Price reduction clause (PRC) for late delivery shall convey the same meaning as Liquidated Damages (LD).

The Contractor is liable to pay Liquidated Damages for per day of delay beyond the specified date of completion, an amount equal to 0.5% for every week or part thereof, subject to the total amount of Damages not exceeding 5% (five per cent) of the Contract Price. However, the Contractor is entitled to time extension arising out of delays on account of change of scope and force majeure or delays caused by or attributable to NRL.

6.4.5 Extension of Time (EOT)

- i) Extension of Time (EOT) / Provisional extension of time must not be left to the end; it should be dealt with promptly during the progress of the contract and for ongoing critical delay interim EOT may be awarded. The engineer shall, after due review with the contractor, determine the length of such extension and notify the contractor accordingly, with a copy to the procuring department. After the final stage of completion is reached (final taking-over certificate issued), EOT and LD may be reviewed, if required. Delay analysis should be supported by appropriate hindrance register / back-up records.
- ii) If a compensation event occurs during the execution of the contract, the same shall be dealt with in terms of the GCC. The Engineer will assess whether and by how much the intended completion date shall be extended.
- iii) Graded authority structure for extension of time for completion of contract as per DOA to be followed.
- iv) In case of contracts of regular nature (AMCs, ARCs etc.) where the works/services are required on continuous basis, action for renewal of such contracts or lining up of fresh contracts in its place must be taken by the user functions and PR should be forwarded to Commercial Dept. at least **four months** before the date of expiry/completion of contract.

As far as possible, extension of contract beyond provision of tender terms & conditions, should be avoided. Cases where action is not taken on time and extension of contract is necessary, prior approval from the competent authority must be taken before expiry of the contractual period.

6.5 Financial Monitoring

Besides administering the contract with regard to its quality and completion, the engineer will regularly assess the financial position and exercise financial control. He will update, on a monthly / quarterly basis, cash flow projections, cost estimates and yearly/ quarterly /monthly milestones, and submit them to the Procuring Entity. Variations should take place with a view to achieving economical completion of the work, and not to result in avoidable higher rates or costs. In case of a significant number of variation orders or unexpectedly rapid cost escalation, updation may be done more frequently. The financial statements should bring out comparisons of the initial estimated/ tendered cost with the actual cost -- component- and activity --wise -- both with respect of quantities and value. The Procuring Entity should examine these statements critically. If costs are likely to be exceeded, this should be anticipated, and a revised estimate of cost prepared, with complete explanations, for approval by the CA.

(i) APPROVAL BY ENGINEER-in-CHARGE :

In circumstances where the situation warrants an immediate decision, the Engineer in charge can take a decision to go ahead with the extra work including increase in SOR quantities and seek post facto approval from the appropriate authority at the earliest possible time.

The detailed justification for not seeking prior approval duly approved by the HOD shall be forwarded along with the bill. Post facto approval shall be obtained immediately and in no case not more than three months from the date of the deviation. Further, in respect of tenders approved by Standing Committee/ Board, prior approval of functional director shall be obtained in such circumstances.

In case of change in the scope of work, prior approval should be obtained from Functional Head of executing department. However, in case of proposals approved by CFD/SCBT/Board, prior approval should be obtained from D(F) & D(T).

(ii) ROLE OF ENGINEER-IN-CHARGE AFTER AWARD OF CONTRACT:

- a) The Engineer-in-Charge on receipt of the copies of the Letter of Acceptance and of the contract/agreement will study the Special Conditions of the work, specification and scope of the work to ensure that the work is executed strictly as per the tender conditions / contract.
- b) He should also ensure that the materials under the scope of the owner's supply are procured and issued to the contractor in time.
- c) After studying time allowed for completion, he should plan the work in consultation with the contractor, to complete the same within the stipulated time and make available the work front to the contractor in time to enable him to execute the work without delay. A time schedule for completion of various stages of the work should be drawn up and got duly signed from the representative of the contractor.
- d) As soon as the contractor or his authorised representative reports to Engineer-in-Charge for taking up the position at the site, he should inform the contractor regarding the various insurance covers which he has to take as per the General Conditions of the Contract.
- e) The Engineer-in-Charge shall also make arrangement for providing land for temporary office, store and labour colony of the contractor and specify the sub-station for obtaining power and point for tapping water supply if it is to be provided by the owner and ensure that suitable meters are installed for measuring the power supply / water supply. He will also take action for making recoveries for usage of water and power from the running account bill at rates as may be specified in the General Conditions of the Contract.
- f) The Engineer-in-Charge shall also provide the contractor with the permit of entry, wherever required like refinery etc, for the labour who are to be engaged on the work and keep complete record of all passes in consultation with the Office-in- Charge of CISF.
- g) Engineer-in-Charge should also ensure that the contractor is registered under various government bodies / Act as per work order, tender documents or as required by law.
- h) The Engineer-in-Charge will also obtain from the contractor a list of equipment which

he is to bring to site and ensure that the equipment is sufficient for execution of the work as per the contract.

- i) The Engineer-in-Charge will also get a list of materials which the contractor has to bring to site to enable him to issue him necessary permits under the provisions of Sales Tax Act or to countersign for relevant sales tax forms as may be applicable under the State Sales Tax laws. This list should be updated on receipt of materials into site and shall be referred to for issuance of gate pass after the completion of the job.
- j) The Engineer-in-Charge should take necessary action wherever required for invoking penal provisions by commercial department in case of any default or deviations by the contractor or supplier.
- k) Role of EIC is also guided by the General Conditions of Contract (GCC).

(iii) Financial Limits for Nominating as Engineer-In-Charge:

The following financial limits have been fixed for nominating as Engineer-in-Charge / Admn-in-charge :

	Particulars	Grade	Financial limit	Remarks
i	In respect of contract services/procurement/works (within the approved Revenue Budget)	<ul style="list-style-type: none"> JG C JG D 	For order value upto Rs30 Lakhs For order value above Rs 30 Lakhs	Measurement books (service Books) to be certified by staff/officer other than authorizing authority.
ii	In respect of Administrative Contracts/Agreements (within the approved Revenue Budget)	<ul style="list-style-type: none"> JG C JG D 	For bill value upto Rs 30 Lakhs/Month For bill value above Rs 30 Lakhs/Month	Bills to be certified by staff /officer other than authorizing authority This would cover payouts such as Guest House contracts, transport hire contracts, canteen contracts
<p>Higher grade officer shall, however, can exercise the lower grade officers' powers as per requirement. For this purpose, the cost as per contract is to be considered. Normally the head of the department should not be nominated as Engineer-in-Charge.</p> <p>In case of transfer / retirement / resignation etc. of the officer nominated as engineer-in-charge, Head of the department of the executing function shall initiate action for nominating alternate engineer-in-charge through Commercial department. The system of handing over and taking over shall be complied with to avoid complications later.</p>				

6.5.1 Variations including Extra / Substituted Items / Change in scope

- i) **Variation means:** (a) increase or decrease in the quantity of any work included in the BOQ of the contract; (b) omission of any such work (but not if the omitted work is to be carried out by the procuring entity by another contractor); (c) change in the character or quality or kind of any such work; (d) change in the levels, lines, position and dimensions of any part of the works; (e) additional work of any kind necessary for the completion of the works; and (f) change of the specified sequence or timing of construction of any part of the works. The variation or additional work must be a necessary part within the scope of the original works and should not completely change the scope/ character and purpose of the original contract. The variation may result in additional or reduced payments to the contractor or there may be no price change at all. Once it is decided that a variation is required, the instruction should be issued promptly to minimise any adverse effect on the overall works. The rate/ price/ valuation do not have to be agreed with the contractor, although this is preferable. Any change in 'approval for construction' drawings should be evaluated properly and their full financial implications worked out at that very stage for submission to the appropriate authority for approval. In case there are changes in ground levels from those shown in the approved drawings, they shall be agreed in writing, jointly by the contractor and engineer and reported to the Procuring Entity for considering whether any action lies against the design consultant for non-conformity of the levels as shown by him in the drawings and those actually obtaining.
- ii) **Keeping Track of Variations/ Extra/ Substituted Items:** A variations register shall be used to administer and keep track of the status of a variation. Normally, the contractor has a tendency to report and claim positive variations (variations causing higher payments) and may not report negative variations. However, the engineer (EIC) must keep track of such negative variations. L1 position should be checked and necessary action should be taken to ensure avoidance of vitiation of L1 position.

iii) **Material Issued for Contract Job :**

A) Material Issues By Company

- a) In exceptional cases, in the interest of work, material can be supplied to contractors (after taking **prior** security / deposit) even though it is not required to be supplied in accordance with the **terms** and conditions of the contract. Reasons for supply of materials shall be recorded in writing and approved by Functional Head of executing dept. The charge will be as indicated in Clause 6.5.1(iii)(B)(c) below.
- b) Materials to be issued by the Company to the Contractors for jobs whether free of cost or on cost recoverable basis will be quantified and recorded in detailed estimates of costs and recovery **towards** such items will be made as per tender conditions. The authority to

fix such rates will be as per DOA.

- c) **Whenever** issues of such materials to the Contractors are authorized by the concerned Engineering Officer / Manager, the purpose / WBS element will be mentioned in the relevant documents, specifying “Free of Cost” or “Cost Recoverable” as appropriate. The concerned Department should also arrange to maintain a record of such issues chronologically showing the cumulative total of quantities so authorized. The quantities as appearing in the record should be compared with the estimated quantities periodically.
- d) Cases of excess issues **should** be investigated and corrective action taken immediately. The Engineering Manager authorizing payment to the contractor will, in all cases, ensure that issues of material to the contractor are compared, issues in excess of estimation if any, explained for, and recovery effected as per contract/agreement.

B) Mode of Recovery of Cost for Material Issued by the Company

- a) In respect of Free Issue Materials to Contractors, the recovery, if any, arising at the time of reconciliation, mainly due to short accounting of materials by contractors, is normally recovered at double the cost of the material. However, the rates and method specified in the General and Special conditions of the contract shall be adhered to.
- b) In certain contracts, it is specified that contractor is required to take certain materials from the warehouse (for maintaining quality / safety and environment standards). These materials are issued to them on chargeable basis. The rates for these items are specified to the contractors at the time of floating the tender enquiry. Subsequently the same forms a part of the contract.
- c) No material shall be issued to the contractors which are otherwise to be brought by the contractors as part of his own supply. However, Engineer in charge may, in exceptional cases as indicated at Clause 6.5.1(iii)(A)(a) above, issue materials from owners' stores on chargeable / loan basis.

Wherever materials are issued to contractor on chargeable basis, NRL shall recover the landed cost of the materials (as per latest executed PO at the time of issuance of materials) plus 15% overhead and applicable GST from contractor's RA bills or any other dues.

6.5.2 Measurement and Payment

E-Payment: All payments (including any advances) are to be routed through e-payment method (NEFT/RTGS/Online mode etc.), as per terms of the contract.

E-invoices / digitally signed invoices should be the preferred mode of invoicing to enable faster processing.

Payment through cheque, demand draft or such instruments may be made on exceptional cases following the prevailing guidelines issued by Finance Dept. from time to time.

- i) Measurements of all items having financial value shall be recorded in Measurement books (MB) and/ or level field books so that a complete record is obtained of all works

performed under the contract. Measurements and levels shall be taken jointly by the official designated for the purpose and the contractor.

ii) Interim Payments / Running Account (RA) Bills: Payment shall be made against executed quantities based on certification of measurements by the Engineer-in-charge. The engineer's would make the following checks:

- a) Quantity of work actually completed as of an agreed 'cut-off' date;
- b) Reconciliation with Field measurements of quantities of work completed or claimed;
- c) Inventory of equipment and materials delivered to the site but not yet used in the work (materials on site);
- d) Review of claims for extra work;
- e) Checking of retention amount and other recoveries;
- f) Review of variations
- g) Price adjustments / Price Variation Clause(s);
- h) Following the bills filed by the contractor, Interim monthly payments (net of: (i) retentions and recovery of advances; and (ii) statutory deductions (works tax, income tax, others) would be made. The engineer will not be bound to certify any payment if the net amount thereof, after all retentions and deductions, is less than the due amount, if any, specified in the contract.

iii) As cash flow is a critical requirement in a project, payments delays impact the speed of construction and also the future bid value as this is factored into the bid by way of an increase in interest carry cost. Therefore payment schedule as per contract should be strictly adhered to.

Variation Order for Processing Running Bills

The quantities against each item of work indicated in the Agreement/ Work Order are necessarily estimates only. The actual quantities may differ for various reasons for which necessary checks/controls are to be kept by Engineer-in-Charge. For such variations in the quantities of work specified in the Agreement/ Work Order, no Variation Order is necessary along with running bill provided the variation does not lead to increase in the overall approved contract value.

However, variation order along with final bill will be required where the final bill value is different from the Contract/Agreement value. The final bill value should be equal to Contract/Agreement value plus/minus Variation Order Value.

Variation Orders with running bill will be necessary in the following cases with due approval as per tender procedures:

- a. Where there is change in the scope of work.
- b. Where there is a new item of work.
- c. Where there is increase in overall contract/agreement value.

Where the situation warrants an immediate decision, action can be taken by Engineer in Charge as per **section 6.5(i)** above. However, full payment of final bill can be released only after approval from competent authority as per **DOA**.

iv) Final bill shall be submitted by the contractor in same manner as that in interim bills within a specified time of physical completion of work and of final certificate of completion furnished by the EIC. Payment shall then be made after verification of the bill on the certificate of the EIC of execution of the work.

v) **Delay in payment to the contractors**

- a) Delay in eligible payments to contractors leads to delay in execution of projects, cost overruns and disputes. Certification of RA bills / stage payments shall be made promptly by EIC, and Payment section shall release the payment against vendor invoice(s) without delay (total within 10 working days; out of which at least 02 clear working days to be given to payment section). When precise measurement and certification is not immediately possible, ad-hoc payments of not less than 75% of eligible running account bill/ due stage payment, **shall** be made within 10 working days of the submission of the bill. This period of 10 days is for completion of all processes including prima facie scrutiny and certification by the engineer in-charge (as declared by procuring entities). The remaining payment is also to be made after final checking of the bill within 28 working days of submission of bill by the contractor. In case the payment has not been released within 10 working days as prescribed above, it **shall** be made as soon as possible, and after payment a written explanation for the delay shall be submitted to the next higher authority within three working days

[The above clause (a) has been kept in the manual but it is kept in abeyance from adoption for another 06 months due to system/procedural constraints. During this period, decision on its adoption by NRL will be done based on industry practice in other Oil PSUs.]

- b) There may be provision for payment of interest in case of delayed payment of bills by more than 30 working days after submission of bill complete in all respect along with supporting documents by the contractor. Where interest is to be paid, the rate of interest should be the rate of interest of SBI's Repo Rate plus Spread or SBI's MCLR plus Spread.
- c) In case of unwarranted discretionary delays in payments, including failure to authorise/ make ad hoc payment as prescribed in para 12.1 above, responsibility **shall** be fixed on the concerned officers. Project executing authorities should have a system to monitor delays in payments and to identify such unwarranted delays.

- d) The final bill should also be paid to the contractor within three months after submission of eligible final bill along with all required figures, justifications and supporting documents complete in all respect against the final measurement certified by EIC.
- e) All project executing authorities implementing works contracts involving aggregate payments of more than Rs.100 crore per annum **shall** have an online system for monitoring of the bills submitted by contractors. Such system **shall** have the facility for contractors to track the status of their bills. It **shall** be mandatory for all contractors bills to be entered into the system with date of submission and date of payment. Such system **shall** be put in place within one year of issue of these instructions.

Note: In para 6.5.2 (v) instructions containing "shall" are mandatory; any deviation from these instructions shall require approval from the Board of Directors.

6.5.3 Mobilisation Advance

- i) If considered justified in certain specialized and capital intensive works, Contract may provide for an interest-bearing mobilisation advance to be paid to the contractor exclusively for the costs of mobilisation at 10 (ten) per cent of the contract price on the provision by the contractor of an unconditional BG. Such BGs shall remain effective until the advance payment has been fully repaid, but the amount thereof shall be progressively reduced by the amount repaid by the contractor, as indicated in the interim payment certificates.
- ii) The aforesaid advance of 10 (ten) per cent may be paid in two instalments, each of five per cent wherever such segregation is feasible. The first one may be paid on commencement of the work and provision by the contractor of the unconditional BG in respect of the advance. The second instalment may be paid on certification by the engineer of the contractor's having achieved a financial progress of 10 (ten) per cent of the contract price, as also provision of a BG by the contractor for this part of the advance. Mobilisation expenditure mentioned herein shall not include the margin money and bank commission, and so on, paid by the contractor for procurement of BGs against security deposit and mobilisation advance.
- iii) Provision of mobilization advance should essentially be need-based. Suitable delegation of authority may be done in the Organisation to take decision for grant of the mobilisation advance, whether interest free or interest bearing.
- iv) Though the Commission does not encourage interest free mobilization advance, but, if the Management feels it necessity in specific cases then it should be clearly stipulated in the tender document and its recovery should be time based not linked with progress of work. This would ensure that even if the contractor is not executing the work or

executing it at a slow pace, recovery of advance could commence and scope for misuse of such advance could be reduced.

- v) Part 'Bank Guarantees' (BGs) against the mobilization advance should be taken in as many numbers as the proposed recovery instalments and should be equivalent to the amount of each instalment. This would ensure that at any point of time even if the contractor's money on account of work done is not available with the organization, recovery of such advance could be ensured by encashing the BG for the work supposed to be completed within a particular period of time.
- vi) There should be a clear stipulation of interest to be charged on delayed recoveries either due to the late submission of bill by the contractor or any other reason besides the reason giving rise to the encashment of BG, as stated above.
- vii) The amount of mobilization advance, interest to be charged, if any; its recovery schedule and any other relevant detail should be explicitly stipulated in the tendered document upfront. The rate of interest to be specified in the tender enquiry is the PLR rate (inclusive of interest tax, if any) prevailing with the SBI plus 2%.
- viii) Relevant format for BG should be provided in the tender document, which should be enforced strictly and authenticity of such BGs should also be invariably verified from the issuing bank, confidentially and independently by the organization.
- ix) In case of 'Machinery and Equipment advance', insurance and hypothecation to the employer should be ensured.
- x) Utilization certificate from the contractor for the mob advance should be obtained. Preferably, mob adv should be given in instalments and subsequent instalments should be released after getting satisfactory utilization certificate from the contractor for the earlier instalment.

Authorisation for Payment of Mobilisation Advance

All mobilisation advances shall be subject to the approval of competent authority as per **DOA**. If the authority who has the power to approve the proposal does not have the power to approve the mobilisation advance, a separate approval shall be obtained.

No interest free mobilization advance will be given to Contractors as per the guidelines of CVC.

The guidelines to be followed on Grant of Mobilisation Advance shall be as under:

1. Mobilisation advance shall be paid to the contractors on selected works and such advances shall be interest bearing.

2. The criteria for selecting the contracts on which Mobilisation Advance(s) are payable shall be decided by the functional head of the user / indenting department.
3. Mobilisation advance shall be recovered along with interest, on pro-rata basis from the running bills submitted by the party as per the rates specified in the tender enquiry. The rate of interest to be specified in the tender enquiry is the PLR rate (inclusive of interest tax, if any) prevailing with the SBI plus 2%. The interest shall be calculated on diminishing balance.
4. Mobilisation advance shall be paid against bank guarantee.
5. Interest levy shall not be applicable in respect of the following payments which are in the nature of deposit work.
 - Statutory payment to Govt. bodies such as Electricity Board, Telecommunication dept, port trust etc.
 - Payment towards deposit works carried out by Railways, Municipal Corporation, etc.
 - Soil Investigation, risk analysis study carried out by various institutes etc.
 - Payment against Pro-forma invoice towards procurement from established/reputed vendors/suppliers where their standard payment terms are against proforma invoice e.g. procurement vehicles, chassis, tyres, furniture etc.
6. The levy of interest on payment of Mobilisation Advance shall be clearly specified in the tender enquiry in order to ensure transparency and to avoid disputes in the later date. In view of this, the following clause may be included in all the tender documents

QUOTE

On a written request made by the tenderer at the time of submission of the tender, the Company, at its sole discretion, may give (as would be indicated in Letter of Intent and/or any other communication in acceptance of the offer) Mobilisation Advance (the grant of which cannot be a pre-condition to carry out the job) on the following terms:

- i) The Mobilisation Advance will be utilised only for mobilising of resources for the job for which such advance is given and not for any other purpose.
- ii) The quantum of such Mobilisation Advance will not exceed 10% of the value quoted in the tender or Rs.25 lakhs, whichever is lower.
- iii) Mobilisation Advance so given or the amount that remaining unpaid will carry an interest of % p.a.
- iv) The interest will accrue on daily basis and will be payable as per Billing Schedule. On failure to pay such interest on due date the same will be treated as principal and further interest on such unpaid interest will be payable at the rates mentioned above.
- v) The Mobilisation Advance in equal instalment will be repayable as per the Billing Schedule (i.e. in number of instalments).
- vi) In any case the Mobilisation Advance as remaining unpaid and interest thereon will be payable in full on the date of submission of final bill as per Billing Schedule or on the date of termination of Contract/Agreement whichever is earlier.

- vii) The Mobilisation Advance together with interest will be secured by a Bank Guarantee of the amount of the Mobilisation Advance and interest valid for 3 months more than the date of submission of final bill as per the billing schedule in such form as may be agreed by the Company.
- viii) 'Billing Schedule' mentioned herein above will mean the date of submission of bill as per Billing Schedule.
- ix) Notwithstanding anything contained herein above, the Company will have liberty to adjust the instalment of Mobilisation Advance and/or interest accrued thereon out of the amount payable by the Company against any bill in respect of the job awarded or any other payment that may be due from the Company to the Contractor.

UNQUOTE

Advance Payments To Annual Service / Maintenance Contracts:-

In case of annual service / maintenance contracts where payments are required to be made in advance for the entire period of service / maintenance, the concerned Tender Evaluation Committee recommending the contract can also recommend such advance payments, irrespective of the amount involved. Effort should be made to make quarterly advance payment as against the one time full advance payment. However, care needs to be exercised to protect Company's interest. Authority to grant such advances will be as per DOA.

6.5.4 Secured Advance against Material brought to Site

Secured advance on the security of materials (which are not combustible, fragile or perishable in nature) brought to the site but not yet incorporated in the works will be made up to 75 (seventy-five) per cent of invoice value, or the 75 (seventy-five) per cent of the corresponding value of the materials determined on the basis of BOQ rates, whichever is less, subject to the condition that their quantities are not excessive and shall be used within a period of 90 (ninety) days and subject to other stipulations in the contract. The contractor will be required to sign an indenture bond, hypothecating the goods to the procuring entity, and also be responsible for their safe custody. Before the advance is released, the procuring entity may inspect the site to ensure that the Contractor has safeguarded the materials against pilferage and deterioration. It may be ensured that the contractor has not taken any loan/ limit from banks against hypothecation of the materials against which the secured advance is claimed. An undertaking in this regard may also be taken from the contractor.

Generally, as per the provisions of the contracts, the contractors are required to submit proof of cost of materials and the delivery of material at site while claiming such advances. The stock register should be maintained from the commencement of the contract and, unless otherwise prescribed in the contracts, the stock, so considered for advance, should generally be only paid stock (and not brought on credit). Where the materials are supplied from a captive source of the contractor, the reasonableness of the valuation of such materials may be ensured.

The advance will be repaid from each succeeding running bill (periodic/ interim payment) to the extent materials for which advance has been previously paid have been incorporated into the works. In all cases, the repayment of the advance will be affected after expiry of a period of 120 days since payment of advance, whether the material is consumed in the work or not.

6.5.5 Price Variation

This will deal with rise and fall of the prices in construction materials/ labour and other key inputs. However, this shall not be applicable in the contracts where period of completion is 12 (twelve) months or less. The provision of price variation clauses enables contractors to factor this reduced risk and quote more competitive prices.

The amount payable to the contractor shall be adjusted in respect of the rise or fall in the cost of labour, Petroleum, Oils and Lubricants (POL) and materials to the work for which appropriate formulae shall be prescribed in the contract and shall form part of the tender document.

To the extent that full compensation for any rise or fall in costs to the contractor is not covered by the provisions of the contract, the unit rates and prices included in the contract shall be deemed to include amounts to cover the contingencies of such uncovered portion of rise or fall of costs.

The formulae may be based on weightages of the material/ labour/ POL and cost indices/ base prices. Indices shall be appropriate for their purpose and shall relate to the contractor's proposed source of supply of inputs on the basis of which his contract price shall have been computed.

If any statutory regulations or bye-laws come into force after submission of the bids, which cause additional or reduced cost to the contractor in the execution of the contract, such statutory additional or reduced cost (except which are covered in cost indices) shall be added or deducted from the contract price.

Short-term contracts where the delivery period does not extend beyond 12 (twelve) months should normally be concluded with a firm price fixed by inviting tenders accordingly. However, even for shorter deliveries, the price adjustment [or Price Variation Clause (PVC)] may be stipulated for items with inputs (raw material, man power, etc.), prone to short-term price volatility - especially for critical or high value works - otherwise there is a possibility of the contract failing or the purchaser having to pay a higher price if prices fall.

Where it is decided to conclude the contract with a variable price, an appropriate clause incorporating, inter-alia, a suitable price variation formula should also be provided in the tender documents, to calculate the price variation between the base level and scheduled delivery date. It is best to proactively provide our own PVC in the tender document to discourage different bidders quoting different formulae and different base dates, which may lead to problems on bringing their prices on a common comparable footing.

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

The following are important elements of PVC:

- a) The price agreed upon should specify the base date, that is, the month and year to which the price is linked to enable variations being calculated with reference to the price indices prevailing in that month and year;
- b) The price variation formula must also stipulate a minimum percentage of variation of the contract price, only above which the price variation will be admissible (for example, where the resultant increase is lower than, say, two per cent of the

contract price, no price adjustment will be made in favour of the supplier);

- c) The price variation clause should provide for a ceiling on price variations, particularly where escalations are involved. It could be a percentage per annum or an overall ceiling or both;
- d) Where advance or stage payments are made there should be a further stipulation that no price variations will be admissible on such portions of the price, after the dates of such payment;
- e) Where deliveries are accepted beyond the scheduled delivery date subject to levy of liquidated damages as provided in the contract. , The LD (if a percentage of the price) will be applicable on the price as varied by the operation of the PVC;
- f) No upward price variation will be admissible beyond the original scheduled delivery date for defaults on the part of the supplier. However, a downward price variation would be availed by the purchaser as per the denial clause in the letter of extension of the delivery period;
- g) Price variation may be allowed beyond the original scheduled delivery date, by specific alteration of that date through an amendment to the contract in cases of force majeure or defaults by the procuring entity;
- h) Where contract execution depends on imported (subject to customs duty and foreign exchange fluctuations) and/or locally sourced goods/ works/ services (subject to customs duty and foreign exchange fluctuations) and/or locally manufactured (subject to excise duty and other duties and taxes), the percentage and element of duties and taxes included in the price should be specifically stated, along with the selling rate of foreign exchange element taken into account in the calculation of the price of the imported item; Costs of imported services, which are directly imported against the contract, may be quoted in foreign currency (currencies) and paid accordingly in that currency.
- i) The clause should also contain the mode and terms of payment of the price variation admissible; and
- j) The buyer should ensure a provision in the contract for the benefit of any reduction in the price in terms of the PVC being passed on to him.
- k) An illustrative PVC clause is available in Annexure 8.
- l) Care should be exercised in contracts providing for price variation to finalise the price before final payment is made, after obtaining data and documents in support of claims for escalation, if any. Where no such claims are submitted by the suppliers, an examination of whether there has been a downward trend in the cost, which the contractor may not bring out, is required. At any rate, an undertaking should be obtained from the contractor to the following effect in case it becomes necessary to make the final payment before he has submitted the required data/documents related to the PVC:

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

- m) Notwithstanding the above formalities, it should be appreciated that it is in the interest of the purchaser to be vigilant about downward variation and it is, therefore, the basic responsibility of the EIC and paying authority to make sure that the benefits of downward variation, wherever it occurs, are fully availed of. [Format for declaration of "no downward variation" to be signed jointly by

contractor & EIC to be submitted prior to contract closure]

- n) The increase in contract rates consequent to the implementation of price escalation clause included in the contract will not be treated as 'changes in concluded contract' and these escalation do not require separate approval within the approved ceiling and these can be certified for payment by the concerned engineer-in-charge / admn.-in- charge.

6.6 Commissioning and Documentation

6.6.1 When the work has been executed, the assets created shall be commissioned. Reasonable advance information of completion of work should be given to the concerned Department to enable them to make arrangements for taking over. The Department may carry out detailed inspection of the commissioned project to ensure that no deficiencies are there before taking over. "As built" drawings of the work shall be got prepared through the contractor or otherwise to facilitate proper maintenance of the assets, additions to the assets at subsequent dates etc. and to form part of the records of the Department / Company.

6.6.2 The Contractor / PSU would be responsible for obtaining Completion/ Occupancy Certificates/ Clearances and No-Objection-Certificates (NOCs), if applicable, from the local civic authorities for completed Work and Facilities before handing over the same to 'Procuring Entity' for putting them to functional use.

6.6.3 Before the completed work is taken over by the Department, it must ensure that the Contractor restores to original status - the auxiliary services/ facilities (Roads, Sewerage, utilities, including removal of garbage and debris) affected during the construction process.

6.6.4 The Contractor shall hand over to Department / Procuring entity concerned or its Authorized Representative completed Work including all Services and Facilities constructed in accordance with the Approved Plans, Specifications fulfilling all agreed techno-functional requirements along with Inventory, As built - Drawings, Maintenance Manual/ Standard Operating Procedure (SOP) for Equipments and Plants, all clearances /Certificates from Statutory Authorities, Local Bodies etc.

6.6.5 On completion of the work, a Project Completion Report (PCR) shall be submitted by The Contractor duly bringing out the Final Project Completion Cost, Total Time period taken to complete the work and also completed Project Components as against the approved Cost, Time and Project Components. The PCR shall be submitted along with Final Project Accounts including return of unspent balance amount to the Department / Procuring entity within one month of settlement of final bills of the contractors/ other agencies deployed on the work.

6.6.6 Record keeping should be created at every work centre to facilitate proper stacking of records pertaining to the completed works. The records should be preserved in such a manner that the same can be retrieved whenever required.

6.7 Closure of Contract

The final bill should be paid to the contractor within three months after submission of eligible final claim along with all required figures and supporting documents complete in all respect against the final measurement certified by EIC.

After receipt of above, EIC should submit contract closing proposal to Commercial Department within 20 days with necessary justifications and all related supporting documents complete in all respect,

with concurrence of competent authority.

Upon receipt of above, Commercial Department should initiate action within next 20 days for approval of appropriate committee.

The approving authority will clear the closing proposal within 35 days (including necessary review / correction / modification of the proposal, if any).

Upon approval, Commercial Department should make necessary system amendment of PO within 5 days and intimate EIC for final system certification (SES). Accordingly, EIC will inform the contractor to submit their final tax invoice and forward the released SES to payment section within 5 days.

LIV section will release the final payment along with any admissible hold amount etc., as applicable, after necessary recoveries, within next 5 days.

Effort should be made to complete the closing within the above timeline. However, above timeline will not be applicable for cases with dispute and litigation or where there are complexities that may demand intricate scrutiny, data collection/references from multiple areas etc. requiring longer durations.

6.7.1 The Contract Closing process in NRL requires the following successive stages of approval:-

A) EIC/User Dept. will forward the contract closing proposal to Commercial Dept., with due recommendation from HOD. In case of Extra/Substituted item / Change in scope, prior approval of Functional Head is required. Relevant facts and figures along with the supporting documents should be furnished.

The contract closing proposal should be accompanied by, inter alia, the following supporting documents:-

- i) A excess-saving statement with reasons for variations, extra/substituted items, as applicable
- ii) A time extension statement with reasons, if applicable
- iii) A work completion certificate
- iv) A final statement of recoveries / deductions / penalties / clearance of hold amount, if any
- v) A no claim certificate / A statement of claims towards the final bill giving particulars
- vi) A material appropriation statement
- vii) A labour liability certificate (in case labour is involved)
- viii) Any special certificates, if required, from any statutory authorities
- ix) A contractor performance evaluation statement
- x) Any other related document in line with terms & conditions of the contract

B) Commercial dealing officer (DO) will put up necessary note(s) for approval of competent **authority** as per provision of DOA. Approval for closing of contracts (works & service contracts) is to be accorded by authorities defined under **clause 17** (Extension of time) and **clause 18** (Variation in contract value). A contract closing proposal is to be taken up for approval under the following primary scenarios:-

- a) When there is variation in executed value w.r.t. original contract value.
- b) When there is extension of contractual completion time.
- c) When there is both (i) & (ii) above.

Besides, the following **exceptions** should also be covered in the approval for closing of contracts, if & when applicable:-

- d) Change in scope / Additional work
- e) Extra / Substituted Items
- f) Offloading / Risk & cost
- g) Compensation / Incentives
- h) Vitiating of L1 position with final executed quantities
- i) Other deviations from original terms & conditions

For compensation, penalty, penal interest etc. relevant DOA clause should be referred.

The variation amount and percentage for the purpose of determining approving authority for variation of contract value would be based on the final executed value excluding "reimbursement items" and "changes due to inbuilt escalation/variation clause". The base amount shall be the awarded order value based on originally approved TEC or based on original tender provisions.

C) After approval for final settlement(s) is accorded, necessary amendment of the SAP contract shall be made by Commercial Dept. and intimated to EIC/user to process for release of final payment.

D) Payment section (Finance) will release the final payment, security deposit etc. as applicable.

E) Where there is no variation as mentioned in (B) above further approval may not be required for final settlement(s).

However, as per the process in Aarohan, the closing cycle does not culminate unless the closing "approval" process is completed. Hence a note for "Contract closing" may be initiated stating only a brief statement of facts through a "Note to file" for records and signed by EIC (or HOD of user) and a Commercial officer of equivalent job group. After the signatures, the contract may be considered as "Closed" and the corresponding Aarohan e-file should be kept under custody of DO / Commercial for future reference.

Necessary amendment of the SAP contract shall be made by Commercial Dept. and intimated to EIC/user to process for release of final payment. Payment section (Finance) will release the final payment, security deposit etc. as applicable.

6.7.2 Completion of Contract

The "COMPLETION CERTIFICATE" shall be issued by the Engineer-in-Charge when the WORK has been completed in accordance of contract document to his satisfaction. After issuance of completion certificate, the contract closing process can be initiated for release of balance/final bill to the contractor after retaining the applicable Security Deposit / Performance Guarantee. Necessary recoveries / adjustments shall be made before releasing the final payment. Before the final payment is released a "no claim certificate" may be taken from the contractor as per the format given in Annexure 7.

However, the defect liability under the contract is not to be treated as completed until a Defects

Liability Certificate (DLC) or SD/PBG release certificate has been issued by EIC. The concerned EIC shall issue and forward the DLC / SD/PBG release certificate to payment section as soon as the defect liability obligations have been completed as per terms & conditions of the contract. There will be only one DLC. It will be issued when the contractor has completed all his obligations under the contract. Before releasing the SD/PBG, it should be ensured that there is nothing outstanding from the contractor, because it would be difficult to retrieve such amounts after releasing the bank guarantee.

It should be ensured that before the release of the final payment, the following reconciliations should be done across departments involved in the execution of the contract:

6.7.3 Material and Works Reconciliation

The Executing Department should confirm that all Works ordered in the contract and paid for have been taken over in good condition and there is no shortcoming. Full reconciliation of all materials, machinery and assets provided to the contractor should be done including wastages and return of scrap/ off-cuts.

6.7.4 Reconciliation with the EIC

Besides Works reconciliation, the EIC should ensure that the following activities (wherever applicable) have been completed by the contractor, to his/her satisfaction, as per the contract:

- i) Achievement of performance standards of Work;
- ii) Installation and commissioning, if any;
- iii) As Made Drawings;
- iv) Return of all ID cards, gate passes, documents, drawings, protective gear, material, equipment, facilities and assets loaned to contractor.

6.7.5 Payment Reconciliation

The Executing Departments may reconcile payments made to the contractor to ensure that there is no liability outstanding against the contractor on account of:

- i) LD;
- ii) Price reduction enforced on account of shortfall in standards of Work;
- iii) Variations/ deviations from the scope of the contract;
- iv) Overpayments/ duplicate payments, if any;
- v) Services availed from Procuring Entity and vacation thereof such as accommodation, electricity, water, security, transport, cranes and other machinery, and so on,
- vi) Demurrage, insurance premiums or claims, and so on;
- vii) Works reconciliation;
- viii) Price variations;
- ix) Statutory duties paid on behalf of the contractor by Procuring Entity; and

On satisfactory reconciliation and against a "no claim certificate" from the contractor, the bank

guarantee may be released and its acknowledgement taken from the contractor.

6.7.6 Payment of Final Bill

When a final bill (bill summary; GST/tax invoice may be collected prior to final payment certification) of the contractor is submitted, the following requirements shall be compiled by the engineer-in-charge in addition to the requirements applicable to the running account bills:

- i) A Deviation Statement shall be prepared by the Engineer-in-charge showing the quantity and cost of each item of work executed as compared to the estimated quantities and amount of the contract giving reasons for excesses and savings, extra/substituted items, as applicable.
- ii) A time extension statement with reasons and details, if applicable
- iii) A completion certificate (**Annexure 11**) in the prescribed form stating that the work has been completed in all respects strictly according to the specifications given in the tender documents.
- iv) A final statement of recoveries / deductions / penalties / clearance of hold amount, if any (**Annexure 12 and Annexure 13**) along with a certificate that no other amount is recoverable from the contractor on any account.
- v) A certificate from the contractor shall be obtained on the final bill that he has no further claims than those given in the final bill and that he accepts the payment in full and final settlement of all his claims.

If the contractor has any claim still persisting at the time of preparation of final bill, it should be ensured that the contractor attaches a statement of claims to the final bill giving particulars of such claims, grounds on which it is based and the amount claimed duly supported with copies of notices sent to the Engineer-in- Charge.

- vi) A material appropriation statement (**Annexure 26**) shall be given by the Engineer-in-charge indicating the details of issue voucher reference numbers, quantity issued, quantify utilised in the work and the amount chargeable to the contractor for non-return / excess consumption of materials in accordance with the terms of the contract. The quantity of theoretical consumption as indicated by the Engineer-in-Charge in the material appropriation statement shall be accepted as final.
- vii) An undertaking from the contractor that he has discharged all his obligation under various laws and he would indemnify the owner if there is any demand against the Company on his account. A labour liability certificate (in case labour is involved)
- viii) Any special certificates, if required, from any statutory authorities
- ix) A contractor performance evaluation statement as per performance evaluation policy in vogue.

The Payments against final bills should be authorised only after the certification of Engineer-in-charge of contract execution (and User department, wherever applicable) for completeness of the job as per scope of work as well as regarding clearance of the work site.

Following additional test checks shall be exercised by Finance Department (payment section)

in respect of final bills:

- i) That the certificates and statements required to be submitted by the Engineer-in-charge along with the final bill have been submitted.
- ii) The material appropriation statement shall be checked to see whether the allowance allowed are in line with the provisions of contract only. No other checking in this regard need to be made.
- iii) It shall be seen that the work has been completed by the contractor within the stipulated period or within such extended time as may be given by the Engineer-in-charge.
- iv) If extension of time has been granted to the contractor, Finance Department shall see that order amendment or approval copy is made available.

After the bills have been checked, adjustment entries required, if any, shall be passed by Finance officials and final payment shall be authorized by finance officials.

All the payments related to WOs shall be made as per contract conditions.

Intimation to Local and Other Govt. Agencies

Where jobs or procurement need to be informed to the local and other government agencies either before initiation or during execution, the same shall be complied with.

6.8 Dispute Resolution Mechanism

6.8.1 Normally, there should not be any scope for dispute between the Procuring Entity and contractor after entering into a mutually agreed valid contract. However, due to various unforeseen reasons, problems may arise during the progress of the contract leading to a disagreement between the procuring entity and contractor. When a dispute/ difference arise, both the procuring entity and contractor should first try to resolve it amicably by mutual consultation failing which Dispute Resolution process should be invoked. The dispute resolution method shall be specified clearly in the bidding document. Dispute Resolution Mechanism for PPP projects is to be specifically provided in the Concession Agreement whereby if mediation does not succeed then Arbitration under the Arbitration and Reconciliation Act is to be provided for.

6.8.2 If a dispute of any kind, whatsoever, arises between the procuring entity and contractor in connection with or arising out of the contract or the execution of the works, whether during the execution of the works or after their completion and whether before or after the repudiation or termination of the contract, including any disagreement by either party with any action, in action, opinion, instruction, determination, certificate or valuation of the Engineer; the matter in dispute shall, in the first place, be referred to the Dispute Resolution Board.

6.8.3 The Works Committee may act as Dispute Resolution Board. The board may co-opt any other officer, if required for dispute resolution.

6.9 Conciliation

The party initiating conciliation shall send a written invitation to the other party to conciliate and

proceedings shall commence when the other party accepts the initiations to conciliation. The parties may agree on the name of a sole conciliator or each party may appoint one conciliator. The conciliation shall assist the parties to reach an amicable settlement of their dispute. When the parties sign the settlement agreement, it shall be final and binding on the parties. The conciliator shall authenticate the settlement agreement and furnish a copy thereof to each party.

6.10 Arbitration

If an amicable settlement is not forthcoming, recourse may be taken to the settlement of disputes through arbitration as per the Arbitration and Conciliation Act 1996 as amended by Arbitration and Conciliation (Amendment) Act, 2015. For this purpose, when the contract is with a domestic contractor, a standard arbitration clause may be included in the GCC / GPC indicating the arbitration procedure to be followed. All questions and disputes relating to the meaning of the specifications, design, drawings and instructions here-in and as to the quality of workmanship or materials used on the work or as to any other question, claim, right, matter or thing whatsoever in any way arising out of or relating to the contract, designs, drawings, specifications, estimates, instructions, orders or these conditions or otherwise concerning the works or the execution or failure to execute the same whether arising during the progress of the work or after the cancellation, termination, completion or abandonment thereof shall be referred to adjudication through arbitration. In case of any deviation / modification of dispute resolution and arbitration clause is requested by the bidder, same should be referred to Legal department for their vetting prior to acceptance/rejection of such request. Please refer to Appendix 2 for further details of the Arbitration Act.

It is therefore essential that the Project Organisation of the Procuring Entity and Engineer be aware of potential arbitration clauses and ensure that crucial documentation including site records, quantity records, handover of site etc. are recorded and secured properly for future use.

6.10.1 Arbitration and dispute resolution

- i) During operation of the contracts, issues and disputes arising due to lack of clarity in the contract become the root cause of litigation. Litigation has adverse implications on the timelines and overall cost of the project. Before resorting to arbitration/litigation, the parties may opt for mutual discussion, mediation, and Conciliation for the resolution of disputes.
- ii) Arbitration /court awards should be critically reviewed. In cases where there is a decision against NRL, the decision to appeal should not be taken in a routine manner, but only when the case genuinely merits going for the appeal and there are high chances of winning in the court/ higher court. There is a perception that such appeals etc. are sometimes resorted to postpone the problem and defer personal accountability. Casual appealing in arbitration / court cases has resulted in payment of heavy damages / compensation / additional interest cost, thereby causing more harm to the exchequer, in addition to tarnishing the image of NRL.
- iii) The Organisation should monitor the success rate of appealing against arbitration awards. There should be a clear delegation to empower officials to accept arbitration / court orders. A special board / committee may be set up to review the case before an appeal is filed against an order. Arbitration /court awards should not be routinely appealed without due application of mind on all facts and circumstances including realistic probability of success. The board /

committee or other authority deciding on the matter shall clarify that it has considered both legal merits and the practical chances of success and after considering the cost of, and rising through, litigation / appeal / further litigation as the case may be, it is satisfied that such litigation / appeal / further litigation cost is likely to be financially beneficial compared to accepting the arbitration / court award.

- iv) In cases where the arbitration award is challenged, the case may be decided in favour of the contractor. In such cases, the amount may become payable with the interest, at a rate which is often far higher than the company's cost of funds. This results in huge financial losses to the company. Hence, in aggregate, it is in company's interest to take the risk of paying a substantial part of the award amount (against BG or through escrow account) subject to the result of the litigation, even if in some rare cases of insolvency etc. recovery of the amount in case of success may become difficult.
- v) The only circumstances in which such payment need not be made is where the contractor declines, or is unable, to provide the requisite bank guarantee and/or fails to open an escrow account as required. Persons responsible for not adhering to are liable to be held personally accountable for the additional interest arising, in the event of the final court order going against the procuring entity.

6.10.2 Arbitration Awards

- i) In cases where the Company has challenged an arbitral award and, as a result, the amount of the arbitral award has not been paid, 75% of the arbitral award (which may include interest up to date of the award) **shall** be paid by the Company to the contractor/ concessionaire against a Bank Guarantee (BG). The BG **shall** only be for the said 75% of the arbitral award as above and not for the interest which may become payable to the Company should the subsequent court order require refund of the said amount.

Note: In para 6.10.2 (i) instructions containing "shall" are mandatory; any deviation from these instructions shall require approval from the Board of Directors.

- ii) The payment may be made into a designated Escrow Account with the stipulation that the proceeds will be used first, for payment of lenders' dues, second, for completion of the project and then for completion of other projects of the same Company as mutually agreed/ decided. Any balance remaining in the escrow account subsequent to settlement of lenders' dues and completion of projects of the Company may be allowed to be used by the contractor/ concessionaire with the prior approval of the lead banker and the Company. If otherwise eligible and subject to contractual provisions, retention money and other amounts withheld may also be released against BG.

6.11 Breach of Contract, Remedies and Termination

6.11.1 Breach of Contract

In case the contractor is unable to honour important stipulations of the contract, or gives notice of his intention of not honouring or his inability to honour such a stipulation, a breach of contract is said to have occurred. Mostly, such breaches occur in relation to the performance of the contract in terms of inability to complete the Work within stipulated time. It could also be due to breach of

ethical standards or any other stipulation that affects Procuring Entity seriously. As soon as a breach of contract is noticed, a show cause notice should be issued to the contractor, giving 10 days' notice, reserving the right to implement contractual remedies. If there is an unsatisfactory resolution, remedial action may be taken immediately.

If termination takes place because of a fundamental breach/ insolvency on the part of the contractor, the EIC shall issue a certificate for the value of work done, deducting from the amounts in respect of: (i) advance payments; (ii) any recoveries; (iii) taxes as due; and (iv) percentage to apply to the work not completed as indicated in the contract data. If the total amount due to the procuring entity exceeds that due to the contractor, the difference will be a debt payable to the procuring entity. A contract may be terminated in the following cases with approval of CA and written communication on termination of contract should be conveyed to the contractor from Commercial Department. The Procuring Entity is then free to take over the site and complete the works himself or with another contractor and use the contractor's materials, equipment, temporary works as he/ they think proper.

6.11.2 Cancellation of Contract for Default

Without prejudice to any other remedy for breach of contract, by written notice of default sent to the Contractor, the contract may be terminated in whole or in part, if the contractor:

- i) has seriously or repeatedly breached the contract, including
 - a) failure to complete the work within the time period(s) specified in the contract, or any extension thereof granted;
 - b) failure to obey instructions in relation to his progress or defective work, material or plant;
 - c) breach of the prohibition against sub-contracting
 - d) Failure to supply sufficient and suitable constructional plant, temporary works, labour and material as proposed in the work programme;
 - e) Substantial suspension of work for more than the specified days without authority from the engineer and failure to proceed with the work within the specified days of receipt of notice from the engineer
 - f) Failure to comply with the requirements regarding JVs
- ii) committed fraud
- iii) If the contractor fails to perform any other obligation under the contract within the period specified in the contract or any extension thereof granted.
- iv) If the contract is terminated in whole or in part, recourse may be taken to any one or more of the following actions:
 - a) Forfeiture of the security deposit;
 - b) Upon such terms and in such manner as it deems appropriate, taking over the site and to complete the works himself or with another contractor (risk Purchase) and use the contractor's materials, equipment, temporary works as he/ they think proper; and
 - c) However, the contractor shall continue to fulfil the contract to the extent not terminated.

Before cancelling the contract and taking further action, it may be desirable to obtain legal advice.

6.11.3 Termination of Contract for Insolvency

If the contractor becomes bankrupt or becomes otherwise insolvent or undergoes liquidation or loses

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

6.11.4 Termination of Contract for Procuring Entity's Failure or Convenience

After placement of the contract, there may be an unforeseen situation compelling Procuring Entity to cancel the contract. In such a case, a suitable notice has to be sent to the contractor for cancellation of the contract, in whole or in part, for its (Procuring Entity's) convenience, inter alia, indicating the date with effect from which the termination will become effective. This is not Procuring Entity's legal right- the contractor has to be persuaded to acquiesce. Depending on the merits of the case, the contractor may have to be suitably compensated on mutually agreed terms for terminating the contract. Suitable provisions to this effect should be incorporated in the tender document as well as in the resultant contract. If termination occurs because of Procuring Entity's convenience or a fundamental breach on his part, the engineer will certify the value of works executed, value of any materials lying at site, reasonable cost of removal of equipment, repatriation of project staff, cost of protecting and securing the works and deducting from it: (i) pending advances; (ii) other recoveries; and (iii) taxes as due.

Chapter 7: Registration/ Enlistment of Contractors and Governance Issues

7.1 Contractor Relationship Management

Contractor Relationship Management comprises the following functions:

- i) Ensuring compliance of contractors to the Code of Integrity for Public Procurement and Integrity Pact (CIPP) if stipulated in Bid Documents;
- ii) Holiday listing – Policy for Holiday listing/Banning/ Debarring of Contractors/ Suppliers; and format for self-declaration to be submitted by bidders is provided in the “Manual for Procurement of Goods” [Please refer section 3.1(ii) and 3.5 of the “Manual for Procurement of Goods”] ; and Latest approved Holiday Listing Policy shall be referred to for Delisting / Holiday Listing of Contractors / Suppliers.
- iii) Development of new sources – by conducting vendor development programs, webinars, hosting awareness programs on transparency/procedures/domain guidelines/GeM procurement/TReDs etc. Special efforts should be put to organize such events for the benefit of MSEs including SC/ST & Women MSEs and Start-Ups.
- iv) Vendor codification in SAP – Shall be guided by the Vendor Master Governance policy in vogue.

7.2 Code of Integrity for Public Procurement (CIPP)

Section 3.2 of the “Manual for Procurement of Goods” may please be referred.

7.3 Integrity Pact (IP)

Section 3.3 of the “Manual for Procurement of Goods” may please be referred.

7.4 Development of New Sources and Registration/ Enlistment of Contractors

The terms 'enlistment' and 'registration' may be differentiated as follows: --

- i) **Registration:** Simply registering the contractor, without any verification.
- ii) **Enlistment:** Including the name of the contractor in the list after verification of credentials.

7.5 Holiday listing/ Suspension/ Banning/ Debarring of Contractors

Please refer the detailed policy for “Holiday listing/ Suspension/ Banning/ Debarring of Contractors/ Suppliers” provided in section 3.5 of the “Manual for Procurement of Goods”.

7.6 Project Management

7.6.A Poor management of public funded projects costs the nation in terms of the following, be it in the owner organization or in construction firms contracted to build a project:

- i) Additional expenditure burden due to increased costs, crowding out more deserving schemes and projects
- ii) Affect viability of projects due to increase in construction, causing losses to CPSE or agency concerned
- iii) Economic burden, due to delayed return in investments
- iv) Imposes unnecessary economic burden on affected stakeholders

- v) Creates a culture of acceptance of delay and avoidable costs - breeding more cases
- vi) Increased costs of procurement due to monetization of higher risks, perceived
- vii) by contractors, of delays and scope creep associated with public funded projects.

7.6.B Given the importance of project management in the final outcomes of projects, owner organizations which plan, fund and implement projects as well as construction firms contracted to build and/or manage projects need to adopt and institutionalize project management standards in their processes. A number of International Project Management Standards have been evolved by Governments as well as International bodies to assist organizations minimize cost and time overruns. While there are a variety of frameworks such as ISO-21500, PMBOK, PRINCE2, LOGFRAME, etc., most of them have a lot in common and have the following elements that need to be taken into account for effective management of projects. Some of these standards may be adopted to improve processes and train project staff.

7.6.C The quality of project works significantly depends on supervision and monitoring. For completion of the projects within the stipulated time and cost and with specified quality standards, periodical review should be done by various levels of the officers.

7.6.D Information Technology (IT) enabled project management systems can help in improving efficiency, transparency and aid faster decision making in execution of projects. These systems may be used for maintenance of records for the progress of work (including hindrance register), variations, etc., wherein reasons for delays are also to be captured on real time basis. Such systems may be used for capturing progress and quality of work, site records/ photographs/ videos etc. including geo tagging.

7.6.E Wherever applicable, the role of the Project Management Consultant (PMC) should be clearly defined in the contracts. Deployment of the PMC does not absolve the project executing authority of the responsibility to supervise the quality and timelines of the project.

7.6.F The credentials and deployment schedule of key and other technical personnel to be engaged by PMC on the work should be taken along with the bid. During execution, adherence to deployment of key and other technical personnel as per the schedule of deployment should be ensured.

7.6.G Execution of the work **shall** primarily be the responsibility of the EIC/officials designed with such responsibility. However, for large contracts senior officers **shall** also review the progress and quality of the work at various stages of construction. To this effect, presentations on the project performance may be made periodically before the senior officers depending upon the value of the project and progress of the project vis-a-vis schedule. Project executing authorities should put in place detailed instructions in this regard. Records of review meetings will be documented.

Note: In para 7.6.G instructions containing "shall" are mandatory; any deviation from these instructions shall require approval from the Board of Directors.

7.6.H Project executing authorities should put in place a system for capturing the photographs and videos of important and critical activities of construction. This may be implemented in projects above a threshold value or, if possible, in all projects. Such photos/ videos may be uploaded in IT based project monitoring system to facilitate monitoring the progress and quality of work as well as assessment of delay in execution of work by stakeholders and senior management. Apart from this photographs and videos may serve as permanent record of the project for posterity in case needed for any eventuality including litigation or enquiry/ investigation.

7.6.1 It may also be useful to stipulate organizational standards and/or certifications for project managers/staff, in complex projects, as tender conditions to minimize risk of cost and time overruns.

Annexure 1: Bid Opening Attendance Sheet cum Report

(Applicable for manual tenders)

Commercial TENDER OPENING RECORDS (Opening of UNPRICED BID)

File Ref:

Tender Ref:

Name of tender:

Final Due Date :

Date & Time of Unpriced Bid Opening:

Name of tender:

Type of Tender (Open/Limited/Nomination):

Type of Bidding (Single / Two Bid):

Sl.	Names of Participating Bidders (Shortlisted Bidders in case of Limited Tenders)	Response (In case of Limited tender)	Signature of Bidders Representatives, if present
01.			
02.			
03.			
04.			
05.			
06.			

Un-Priced bids (___ nos.) as above opened on _____ (date)		
	Representative of User	Representative of Commercial
Signature		
Name		
Designation		

TENDER OPENING RECORDS (Opening of PRICED BID)

File Ref:

Tender Ref:

Name of tender:

Date & Time of Priced Bid Opening :

Estimated Cost:

Type of Tender (Open/Limited/Nomination):

Type of Bidding (Single / Two Bid):

Sl.	Names of Participating Bidders	Technical / Commercial Acceptance	Total Quoted Price (Excl. GST) [Use Annexure, If required for item-wise price]	Rate of GST	Signature of Bidders Representatives, if present
01.					
02.					
03.					
04.					
05.					
06.					

Priced bids (___ nos.) as above opened on _____ (date)		
	Representative of Finance	Representative of Commercial
Signature		
Name		
Designation		

Note: In case of single bid tenders, format for “Priced Bid Opening” shall be applicable.

Annexure 2: Sample format for “Technical Recommendation”

NUMALIGARH REFINERY LIMITED

(Technical Recommendation)

(Technical Recommendation for Service)

Date:

Job Name:

User Department:		RFQ No.:	
Tender Type:		PR No(S):	
PQC RELAXATION FOR MSE BIDDERS:		Nos of Bidders:	

PQC for the Tender:	
---------------------	--

Outcome of Technical Evaluation

SrNo	Name of Bidder	Description of reference work Order considered for evaluation	Pre-Qualification Compliance as per Tender	MSE Relaxation	Technical acceptability of Offer(Yes/No)	Reason for Rejection (incl. Sl. No.)
1						
2						
3						

*Reasons of technical rejection to be clearly indicated. Separate annexure, if required, to be enclosed for detailed technical evaluation.

Special Note to commercial (if any):

Initiated By:

Recommended By: *(Not mandatory)*

Approved By: *As per clause 9 of DOA*

Annexure 3: Sample format for “Tender Evaluation Committee Recommendation Note”

Numaligarh Refinery Limited Commercial Department					
<u>TEC PROPOSAL</u>					
Ref :					Date:
APPROVING AUTHORITY :					
AWARD OF ORDER FOR :		Service	PRIORITY:	Normal / Urgent	
SHORT DESCRIPTION OF PROPOSAL:					
PROPOSAL DETAILS:					
PR No. :		User Department:			
Proposal Receipt Date:		Admin Approval By :			
Cost Estimate:		Basis of Estimate:			
Budget Details :		CC; WBS; GL :			
Reason for Procurement:					
RFQ DETAILS & RESPONSE:					
SAP RFQ No. :		EMD Amount (Rs.):			
E-Tender No:		Tender Issue Date:			
Bid Type:		Tender Due Date:			
Enquiry Type:		Un-price Bid Opening Date :			
TR Received Date :		Priced Bid Opening Date:			
Remark / Note (if any):					
RESPONSE / EVALUATION: bids were received					
SN	List of Shortlisted / Participating Bidders	Technical Acceptability	Commercial Acceptability	MSE Bidder	EMD
TECHNICAL EVALUATION :		Vide TR dtd., user function recommended offers to be technically acceptable..... [Brief details of rejections to be provided]			
COMMERCIAL EVALUATION :		On commercially scrutiny			

PRICED BID EVALUTION :

The priced bid of nos. of techno-commercially acceptable bidders were opened on and following price comparison / position have been found: (Refer “comparative statement” **enclosure**):-

Estimated Amount: Rs..... (inclusive/exclusive of all charges, taxes and duties, excluding/including GST)

Bidders name	Total quoted amount (inclusive/exclusive of GST)	Difference (%) with estimate	Position
			L1

Any other relevant details may be mentioned hereafter

PRICE NEGOTIATION, If any :**PRICE REASONABILITY:****TERMS & CONDITIONS OF SUCCESSFUL BIDDER:**

Basis of Award :			Price Basis:		
P&F charges :			TPI Charge:		
Freight Charge :			Transit Insurance :		
GST :	ITC available			SAC Code :	
	ITC not available				
Contractual Period :					
Payment Terms:					
Price Reduction Clause for Delayed Delivery:			PBG:		
Repeat Order:			Offer Validity:		
Defect Liability Period :			Security Deposit :		
Free / Chargeable Issue :			E-I-C :		

FINANCIAL OUTGO:**DEVIATIONS, IF ANY, FROM COMPANY'S PROCEDURES AND GUIDELINES:****APPROVAL SOUGHT FOR:-**

Placement of order on **M/s** for “.....” on**basis** at total basic value of Rs..... with landed cost of **Rs.....** inclusive of

DOA CLAUSE & Approving Authority:

Members of the tender committee undertake that none of them has any personal interest in the Companies/ Agencies participating in the tender process.

Initiated By:

Recommended By: *Optional*

Approved By: *As per clause 10 of DOA*

Annexure 4: Invitation and Declaration for Negotiations

(Refer Para 5.6.6 (iv) (c))

Invitation for Negotiations

(On letterhead of the procuring entity)

No: _____ Dt: _____

To M/ s _____ Registered A/ D

Sub: **Tender No** ----- **opened on** ----- **for the supply of**-----

Dear Sir,

The rates quoted in your tender are considered high. You are therefore, requested to come for negotiations of rates, on..... (date) at..... (time) at. (venue).

In the event of failure of the contemplated negotiations relating to Tender No. _____ opened on _____ your original tender shall remain open for acceptance on its original terms and conditions.

A copy of the form in which you may submit your revised offer after negotiations is enclosed.

Yours faithfully,

Enclosure:

(1) Form of Revised Offer

Annexure 5: Format of Revised Offer in Negotiations

(Refer Para 5.6.6(iv) (d))

Revised Offer in Negotiations

(On company letterhead)

From.....

Full address.....

To

Sir,

Sub: **Tender No ----- opened on -----for the supply of-----**

Ref: Your invitation for negotiations no: dated:

1. On further discussions with your representatives on..... in response to your letter no dated

We are not prepared to reduce the rates already quoted in the original tender, which will remain valid up to.....

Or

1. I/ we reduce my/ our rates as shown in the enclosed schedule of items.

2. I/ we am/ are aware that the provisions of the original bidding document remain valid and binding on me.

3. I/ we undertake to execute the contract as per following Schedule.....

4. I/ we agree to abide by this tender on the revised rate quoted by me/ us, it is open for acceptance for a period of 120/ 180 days from this date, i. e., up toand in default of my/ our doing so, I/ we will forfeit the earnest money deposited with the original tender/ attached herewith. Eligibility as valid tenderers shall be deemed to be the consideration for the said forfeiture.

Yours faithfully,

Signatures of bidder or
Officer authorised to sign the bid
documents on behalf of the bidder

Annexure 6: Letter (Notification) of Award/Acceptance (LoA) (Sample)

Ref.:

Date:

M/s

.....
.....

Kind Attn.:

Dear Sir,

NRL GSTIN:

Assam : 18AAACN6984B1ZD

West B.: 19AAACN6984B1ZB

Odisha : 21AAACN6984B2ZP

Delhi : 07AAACN6984B1ZG

Delhi : 07AAACN6984B2ZF*

(*Input Service Distributor)

Subject: Letter of Acceptance (LOA) for “.....”.

Reference: **1. Tender Ref.:**

2. Offer Ref:

Dear Sirs,

With reference to your above offer and all subsequent discussions & correspondence till date, we are pleased to issue this Letter of Acceptance (LOA), for at total basic order value of Rs..... (Rupees Only) as follows:

Sr. No.	Description	Qty.	Unit Price (Rs.)	Total Basic Price (Rs.)
1

GST:.....

Or, use annexure for higher no. of items.

Provision for “reimbursement”: *(delete if not applicable)*

Rate of GST:..... *(Indicate extra or inclusive)*

Other terms and conditions shall be as below:

Contractual Period:

Engineer-In-Charge:

Payment Terms:

Security Deposit:

Defect Liability Period:

Any other terms & conditions:

All other terms & conditions shall be as per our tender documents, General Conditions of Contract (GCC) & all related communications.

Please return the duplicate copy of this LOA duly signed, stamped and dated in token of your receipt and acknowledgement.

For NRL – Numaligarh Refinery Limited,
Authorised Signatory

Annexure 7: No Claim Certificate (Sample)

(On company letterhead)

NO CLAIM CERTIFICATE

Contents to be modified suitably

Name of work:

Work order no. and date:

This is to certify that on payment of our following balance payments, we shall have no further claim whatsoever in respect to this contract.

Our receivables are:-

- i) Final Bill Amounting Rs..... (*Excluding/Including* GST)
- ii) Any other receivables: Rs..... (*Excluding/Including* GST)
- iii) Security Deposit: Rs.....

We understand that security deposit shall be released by NRL only after completion of defect liability period; and it shall be subject to recoveries / adjustments on account of any defects, or any other recoveries whatsoever to be made by NRL.

We agree for the following recoveries & deductions from our above receivables:-

- i) Chargeable materials: Rs..... (*Excluding/Including* GST)
- ii) Recovery against FRCC not submitted, for:
 - Wood m³
 - Sand m³
 - Gravel m³(Royalties, Penalties, Taxes & Levies on above as applicable).
- iii) Penalty Rs..... (GST extra as applicable).
- iv) *Any other recoveries & deductions*

We understand that all payments are subject to deduction towards TDS as applicable.

Yours faithfully,

M/s

Authorized signatory (Proprietor / Signatory having power of attorney)

Date:

Annexure 8: Example of Formula for Price Variation Clause

[Refer Para 6.5.6]

(The formula for price variation should ordinarily include a fixed element, a material element and a labour element. The figures representing the material element and the labour element should reflect the corresponding proportion of input costs, while the fixed element may range from 10 to 25% (ten to twenty-five percent). That portion of the price represented by the fixed element and profits and is not subject to variation. The portions of the price represented by the material element and labour element along will attract price variation.)

The formula for price variation will thus be:-

$$Pa = Po \left[\frac{\left(F + a \left(\frac{M1}{Mo} \right) + b \left(\frac{L1}{Lo} \right) \right)}{100} \right] - Po$$

Where: -

Pa is then adjustment amount payable to the supplier (a minus figure will indicate a reduction in the contract price) on the date of supply.

Po is the contract price on the base date (which is taken as the date on which tender is due to open).

F is the fixed element (as the percentage of the total price) not subject to price variation.

a is the assigned percentage to the material element in the contract price.

b is the assigned percentage to the labour element in the contract price.

(F, a and b being percentages should total 100)

Lo and L1 are the average wage indices for the quarter before the quarter in which base month falls and for the quarter before the quarter in which date of supply falls; respectively. For example for a tender opening on March 17, 2016 (base date), Lo would be average wage index for the quarter of Oct-Dec 2015.

Mo and M1 are the material prices/indices as average of the month, two month prior to the month in which base month falls and average of the month, two month prior to the month in which date of supply falls, respectively. For example, for a tender opening on March 17, 2016 (base date), Mo would be prices/index as average of the month of January 2016. All material prices/indices will be basic prices without excise duty and without any other central, state, local taxes and duties and Octroi.

If more than one major item of material is involved, the material element can be broken up into two or three components such as Mx, My, Mz.

The following conditions would be applicable to price adjustment:

- Base dates shall be due dates of opening of bids (technical bid in two or three envelop/cover system).

- Date of supply shall be the date of calculation/determination of the price variation.
- No price increase is allowed beyond original delivery period.
- No price adjustment shall be payable on the portion of contract price paid to the seller as an advance/interim payment after the date of such payment.
- Total adjustment will be subject to maximum ceiling of ____ %.
- No price adjustment shall be payable if this is less than or equal to 2% (two percent) of Po.
- Payments for each supply would initially be made as per the base price mentioned in the contract. Price adjustment bill should be submitted only quarterly for the supplies made during the quarter.
- In GTE tenders extra care should be taken in selecting the price indices. Preferably the price indices should be from the same country and of same currency as the country and currency of the bidder. In case price is in a currency of a country where inflation is low and the indices are from country with much higher inflation rates, $(M1/Mo)$ and $(L1/Lo)$ should be multiplied by a correction factor of exchange rates $(Eo/M1)$ where Eo is the exchange rate of country of M and L indices with reference to currency of price P. For example, if M&L are from India and P is in \$, then Eo is Number of Rs. in a \$ on base date and $E1$ is the exchange rate on determination date.
- Even if there is no price adjustment claim, supplier must submit all relevant data to prove that there is no downward variation. In any case he must submit a declaration as follows;

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

Annexure 9: Procedure for Verification of Bidders Credentials.

All open tenders, having requirement of bidders credential (PQC) will have the following conditions as noted below:

NRL adopts a practice to verify documents submitted by U bidder in support of bidder's credential against PQC, authentication may be verified with the issuing authorities, by way of direct communication to NRL over official e-mail IDs/ Original letter of authentication by post. Bidders may also follow up with the issuing authority for eliciting early response. If documents remain unauthenticated till given time line, NRL reserves the right to reject the bid.

Proper address for communication including e-mail ID of the issuing authority should be provided along the tender document.

1. Tenders having contract value of Rs. 5 Crore and above:

The documents submitted by L1 bidder in support of their credentials against PQC shall be mandatorily verified with the issuing authorities, for open tenders with quoted value of L1 bidder of Rs.5 Crore and above

The steps in brief may be in the following seriatim:

- a) Authentication from the issuing authority may be in letters by post, fax or by emails from official e-mail IDs.
- b) In case documents submitted remain unauthenticated for a reasonably long period of time, a final reminder shall be served to the issuing authority with a copy to respective vendor, before rejecting their bid. However if situation warrants Head of Commercial and Head of User Department may constitute a committee to visit the document issuing authority and submit a report on the authentication of the documents submitted by vendor in support of their credentials against PQC.
- c) In case of foreign bidder certified true copies duly signed, dated and stamped by an official authorized for this purpose in Indian Embassy/ High Commission in bidder's country shall be accepted.
- d) In a situation of rejecting L1 bidder due to lack of authentication of their submitted document, the tender shall be cancelled and refloated. No further approval shall require for cancellation and refloating.

2. Tenders having contract value less than Rs. 5 Crore:

NRL adopted the practice of verifying bidders credentials like copy of purchase orders, job completion certificate, MSE certificates or other relevant document/certificate submitted by bidder, on receipt of any complain or any doubt arises during tendering process.

The existing practice of verifying the bidders' credentials as mentioned above for tenders below Rs. 5 Crore will continue to be in vogue. Additionally, manufacturer's authorization certificates and MSE status will be verified for all successful bidders, in line with procedure proposed below.

Above procedure shall be applicable for all open tenders.

Annexure 10: Sample Format for Excess-Saving Statement

Job Name: **Excess-Saving Statement**
W.O. no. & Date:
Contractor:

A) Contracted (Quoted) Items:

Sl.No	Description of Work / Item(s)	Qty	UoM	ORIGINALLY APPROVED		REVISION , If Any		EXECUTED TOTAL		EXCESS/SAVING w.r.t. Originally Approved	
				Rate	Amount	Qty	Amount	Qty	Amount	Amount	%
	Total:										

Reasons for variations to be clearly submitted in closing / amendment proposal.

B) Extra / Substituted Items, if any:

Sl.No	Description of Work / Item(s)	Qty	UoM	ORIGINALLY APPROVED		REVISION , If Any			EXECUTED TOTAL			EXCESS/SAVING w.r.t. Originally Approved	
				Rate	Amount	Qty	Rate	Amount	Qty	Rate	Amount	Amount	%
	Total:												

Reasons for extra / substituted items to be clearly submitted in closing / amendment proposal.

C) Execution at lowest rates, if any:

Sl.No	Description of Work / Item(s)	Qty	UoM	ORIGINALLY APPROVED		REVISION , If Any			EXECUTED TOTAL			EXCESS/SAVING w.r.t. Originally Approved	
				Rate	Amount	Qty	Rate	Amount	Qty	Rate	Amount	Amount	%
	Total:												

Reasons for execution beyond SOR qty. to be clearly submitted in closing / amendment proposal.

D) Reimbursable Items, if any:

Sl.No	Description of Work / Item(s)	Qty	UoM	ORIGINALLY APPROVED		REVISION , If Any		EXECUTED TOTAL		EXCESS/SAVING w.r.t. Originally Approved	
				Rate	Amount	Qty	Amount	Qty	Amount	Amount	%
	Total:										

Variations to be clearly submitted in closing / amendment proposal.

E) Wage Arrear, if any:

Sl.No	Description of Work / Item(s)	Qty	UoM	ORIGINALLY APPROVED		REVISION , If Any			EXECUTED TOTAL			EXCESS/SAVING w.r.t. Originally Approved	
				Rate	Amount	Qty	Rate	Amount	Qty	Rate	Amount	Amount	%
	Total:												

	Total:												

Calculation / back-up to be provided / preserved by EIC.

VARIATION IN (A+B+C): Amount and Percentage

TOTAL EXECUTED VALUE (A+B+C+D+E): Amount

Annexure 11: Sample Format for Work Completion Certificate

On Company Letterhead

Ref:

Date:

COMPLETION CERTIFICATE

Name of Work :

Name of Contractor :

Work order no. :

Awarded Basic Contract Value (Excl. GST) :

Awarded Reimbursement Value (Excl. GST) :

Awarded Total Value (Excl. GST) :

Executed Basic Value (Excl. GST) :

Executed Reimbursement Value (Excl. GST) :

Executed Total Value (Excl. GST) :

Contractual Start Date :

Contractual Completion Date :

Extension of time (if any) :

Actual Date of Completion :

Certified that the work has been completed in all respects as per relevant specifications, standards and instructions of Engineer-in-Charge.

For and on behalf of Numaligarh Refinery Ltd.

Name of EIC

Designation of EIC

Annexure 12: Sample Format for Material Issue & Recovery / No Material Issue Certificate

Material Issued & Recovery / No material issued certificate

Name of Contractor :
Name of the Work :
W. O. No. & Date :

A) Following materials were issued against the contract and statement of recoveries are as follows:-

	Issued			Recovered in RA Bills			Balance to be recovered		
Material	Qty	Rate	Amount	Qty	Rate	Amount	Qty	Rate	Amount
Total :									

OR

B) Certified that no materials are issued on chargeable basis to M/s against the above mentioned contract.

For and on behalf of Numaligarh Refinery Ltd.

Name of EIC
Designation of EIC

Annexure 13: Sample Format for Other Recoveries / No Other Recovery Certificate

Name of Contractor :
Name of the Work :
W. O. No. & Date :

A) Following recoveries are to be made / released as follows:-

			Recovery to be made			Actually Recovered in Bill			Balance to be recovered / released		
Heading	R/A Bill No.	SES no.	Qty	Rate	Amount	Qty	Rate	Amount	Qty	Rate	Amount
Total Payable / Receivable: <i>(delete as applicable)</i>											

OR

B) Certified that no recovery is to be made from M/s against the above mentioned contract.

For and on behalf of Numaligarh Refinery Ltd.

Name of EIC
Designation of EIC

Annexure 14: Sample Format for Labour Liability Certificate (Sample)

(On contractor's Letterhead)

LABOUR LIABILITY CERTIFICATE

Name of Contractor :
Name of the Work :
W. O. No. & Date :

I hereby undertake full liability up the period as contract (Present & future) arising out of the in connection with employment and term conditions of employment of any persons, Engineers engaged directly by us in executing the contract entered with M/s Numaligarh Refinery Limited for the purpose of complying with the provisions of the labour acts – viz. **(1) MINIMUM WAGE ACT, (2) PAYMENT OF WAGE ACT, (3) CONTRACT LABOUR (R&A) ACT-1970, (4) EQUAL REMUNERATION ACT, (5) PAYMENT OF BONUS ACT, (6) CHILD LABOUR (P&A) ACT-1986 AND (7) WORKMEN COMPENSATION ACT 1923, (8) EMPLOYEES PF ACT/SCHEME** and other Acts & Rules in force at the time of signing of this certificate.

I shall be personally responsible for any litigation consequence, if any arising out of non-implementation of the aforesaid statutory Acts and Numaligarh Refinery Limited will in anyway be responsible for such matter.

Yours faithfully,

M/s
Authorized signatory (Proprietor / Signatory having power of attorney)
Date:

Annexure 15: Verification of Bidders Credentials

All open tenders, having requirement of bidders credential (PQC) will have the following conditions as noted below:

NRL adopts a practice to verify documents submitted by U bidder in support of bidder's credential against PQC, authentication may be verified with the issuing authorities, by way of direct communication to NRL over official e-mail IDs/ Original letter of authentication by post. Bidders may also follow up with the issuing authority for eliciting early response. If documents remain unauthenticated till given time line, NRL reserves the right to reject the bid.

Proper address for communication including e-mail ID of the issuing authority should be provided along the tender document.

1. Tenders having contract value Rs.5 Crore and above:

The documents submitted by L1 (successful) bidder in support of their credentials against PQC shall be mandatorily verified with the issuing authorities, for open tenders with quoted value of L1 (successful) bidder of **Rs.5 Crore and above**.

The steps in brief may be in the following seriatim:

- a) Authentication from the issuing authority may be in letters by post, fax or by emails from official e-mail IDs.
- b) In case documents submitted remain unauthenticated for a reasonably long period of time, a final reminder shall be served to the issuing authority with a copy to respective vendor, before rejecting their bid. However if situation warrants Head of Commercial and Head of User Department may constitute a committee to visit the document issuing authority and submit a report on the authentication of the documents submitted by vendor in support of their credentials against PQC.
- c) In case of foreign bidder certified true copies duly signed, dated and stamped by an official authorized for this purpose in Indian Embassy/ High Commission in bidder's country shall be accepted.
- d) In a situation of rejecting L1 (successful) bidder due to lack of authentication of their submitted document, the tender shall be cancelled and refloated. No further approval shall require for cancellation and refloating.

2. Tenders having contract value less than Rs. 5 Crore:

NRL adopted the practice of verifying bidders credentials like copy of purchase orders, job completion certificate, MSE certificates or other relevant document/certificate submitted by bidder, on receipt of any complain or if any doubt arises during tendering process.

The existing practice of verifying the bidders' credentials as mentioned above for tenders below Rs. 5 Crore will continue to be in vogue. Additionally, manufacturer's authorization certificates and MSE status will be verified for all successful bidders, in line with above procedure.

Above procedure shall be applicable for all open tenders.

Annexure 16: Format for Contract Agreement

(To be executed on non-judicial stamp paper of appropriate value, minimum Rs.100)

Required to be submitted by successful agency after placement of work order / letter of acceptance

CONTRACT AGREEMENT

A CONTRACT AGREEMENT made this _____ day of _____, _____ for the work “-----”
-----” Work
Order No.: ----- between NUMALIGARH
REFINERY LIMITED, a company incorporated in India and having its registered office at Regd. Office: 122A, G.S. Road,
Christianbasti, Guwahati-781005, Assam, hereinafter called the "OWNER" (which term shall, unless excluded by or
repugnant to the subject or context include its successors and assignees) of the one part and **M/s** -----

hereinafter called the "CONTRACTOR" (which term shall unless excluded by or repugnant to the subject or context include
its successors and permitted assignees) of the other part.

WHEREAS:

- A. The OWNER being desirous of having provided and executed certain works mentioned, enumerated or referred to in the tender documents including Letter Inviting Tender, General Tender Notice, General Conditions of CONTRACT, Special Conditions of CONTRACT, Specifications, Drawings, Plans, Time Schedule of Completion of Jobs, Schedule of Rates, Agreed Variations, other documents etc. has called for Tender.

Contd...2

- B. The tender documents including the Notice Inviting Tender, General Conditions of Contract, Special Conditions of Contract, Schedule of Rates, General obligation, Specifications, Drawings, Plans, Time schedule of completion of jobs, Letter of Acceptance of tender and any statement of agreed variations with its enclosures copies of which are hereto annexed shall constitute the "Contract Documents" though separately set out herein and are included in the expression " CONTRACT" wherever herein used.
- C. The CONTRACTOR has been given the opportunity before or at the time of entrusting of the WORK to him / her of making an inspection of the site, the nature of the site and local conditions, the quantities, nature and magnitude of the work, the availability of labour and materials necessary for the execution of work, the means of access to site, the supply of power and water there to and the accommodation he/she may require and to make local and independent enquiries and obtain complete information as to the matters and things referred to, or implied in the tender documents or having any connection therewith, and to consider the nature and extent of all probable and possible situations, delays, hindrances or interferences to or with the execution and completion of the work to be carried out under the contract, to set at rest any doubt he / she may have had about the difficulties attending his / her offer and any difficulties which may be met with by him/ her in the course of the execution of the work shall neither relieve him / her from fulfilling the terms of this agreement, nor entitle him / her to claim any extra payment or extension of the period stipulated for the completion of the WORK except where it will be agreed by the OWNER's authorized engineer-in-charge that such difficulties could not have been foreseen.

AND WHEREAS

The OWNER accepted the Tender of the CONTRACT for the provision and the execution of the said work at the rates stated in the Schedule of Quantities of work and finally approved by OWNER (hereinafter called the " Schedule of Rates") upon the terms and subjects to the conditions of CONTRACT.

NOW THE AGREEMENT WITNESSETH & IT IS HEREBY AGREED AND DECLARED AS FOLLOWS :

1. In consideration of the payment to be made to the CONTRACTOR for the work to be executed by him, the CONTRACTOR hereby covenants with the OWNER that, the CONTRACTOR shall and will duly carry out and complete the work as mentioned in the CONTRACT, hereinafter referred to as "the WORK " which expression shall include all amendments therein and / or modifications thereof, for the OWNER at its specified site to its complete satisfaction in accordance with the works, specifications, schedule of rates and plans mentioned, enumerated or referred to in the CONTRACT and with the instructions given from time to time by the OWNER's authorized engineer-in-charge under whose supervision the WORK shall be executed, and perform all other acts and things in the CONTRACT mentioned or described or which are to be implied there from or may be reasonably necessary for the completion of the said works and at the said times and in the manner and subject to the terms and conditions or stipulations mentioned in the CONTRACT.
2. In consideration of the due provision, execution and completion of the said works, the OWNER does hereby agree with the CONTRACTOR that the OWNER will pay to the CONTRACTOR the respective amounts for the work actually done by him and approved by the OWNER at the Schedule of Rates and such other sum payable to the CONTRACTOR under provision of CONTRACT, such payment to be made at such time in such manner as provided for in the CONTRACT.

Contd....3

3. In consideration of the provision, execution and completion of the said works the CONTRACTOR does hereby agree to pay such sums as may be due to the OWNER for the services rendered by the OWNER TO THE CONTRACTOR, such as power supply, water supply and others as set for in the said CONTRACT and such other sums as may become payable to the OWNER towards the controlled items of consumable materials or towards loss, damage to the OWNER's equipment, materials construction plant and machinery, such payments to be made at such time and in such manner as is provided in the CONTRACT.
4. The CONTRACTOR shall have no right, title or interest in the site made available by the OWNER for execution of the works or in the building, structures or works executed on the said site by the CONTRACTOR or in the goods, articles, materials, etc. brought on the said site (unless the same specifically belongs to the CONTRACTOR) and the CONTRACTOR shall not have or deemed to have any lien whatever charge for unpaid bills will not be entitled to assume or retain possession or control of the site or structures and the OWNER shall have an absolute and unfettered right to take full possession of site and to remove the CONTRACTOR, their servants, agents and materials belonging to the CONTRACTOR and lying on the site.
5. The CONTRACTOR shall be allowed to enter upon the site for execution of the works only as a licensee simpliciter and shall not have any claim, right, title or interest in the site or the structures erected there on and the OWNER shall be entitled to terminate such licence at any time without assigning any reason.
6. If "the WORK " involves excavation nature of job, then any material which may be found, unearthed, dug up or excavated from the execution site shall, unless otherwise expressly agreed under this CONTRACT, exclusively belong to the OWNER and the CONTRACTOR shall have no right to claim over the same and such excavation and materials should be disposed off on account of the OWNER according to the instruction in writing issued from time to time by the ENGINEER-IN-CHARGE.
7. All disputes or differences arising out of this contract shall be referred to the Arbitration as per GPC/GCC Clause whichever is applicable and all disputes, actions and proceedings arising out of this contract shall also be as per GPC/GCC.
8. The contract documents mentioned in Point-B hereof embody the entire Contract between the parties hereto, and the parties declare that in entering into this Contract, they do not rely upon any previous representation, whether express or implied and whether written or oral, or any inducement, understanding or agreements of any kind not included within the contract documents and all prior negotiations, representations, contracts and/or agreements and understandings related to the work are hereby cancelled.
9. The Contract and benefits and obligations thereof shall be strictly personal to the CONTRACTOR and shall not on any account be assignable or transferable by the CONTRACTOR.
10. No failure or delay by the OWNER in enforcing any right or remedy of the OWNER in terms of the contract or any obligation or liability of the CONTRACTOR in terms thereof shall be deemed to be a waiver of such right, remedy, obligation or liability, as the case may be, by the OWNER and notwithstanding such failure or delay, the OWNER shall be entitled at any time to enforce such right, remedy, obligation or liability, as the case may be.

Contd.....4

11. The CONTRACTOR shall ensure that the CONTRACTOR's personnel or representatives shall comply all the safety regulations issued from time to time by the OWNER or otherwise howsoever and should any injury resulting in death or not or damage to any property occur as result of failure to comply with such regulations, the CONTRACTOR shall be held responsible for the consequences thereof, shall keep the OWNER harmless and indemnified.
12. The CONTRACTOR shall at the request of the OWNER's authorized Officer immediately dismiss from the WORK, any person employed thereon who, in the opinion of the OWNER's authorized Officer, is unsuitable or incompetent or who, has been guilty of misconduct and such person shall not again be employed or allowed on the works without permission from the OWNER, in writing.

The parties hereto agree that this agreement shall be effective from the date of the aforesaid Purchase Order/CONTRACT.

In Witness whereof the parties have executed these presents in the day and the year first above written.

Signed and Delivered for and
on behalf of OWNER -
M/s Numaligarh Refinery Ltd.

Signed and Delivered for and
on behalf of CONTRACTORS -
M/s-----

Signature :

Signature:

Seal :

Seal :

Date :

Date :

Place : NRL, Numaligarh

Place : NRL, Numaligarh

IN PRESENCE OF TWO WITNESSES

1.

1.

2.

2.

Annexure 17: Proforma of Bank Guarantee for Security Deposit

Following prevailing BG related information to be specified (to be modified suitably in due course):-

BANK GUARANTEE FOR SECURITY DEPOSIT

Bank guarantee should be routed through SFMS platform. Relevant information are as follows:

(i) Beneficiary bank details:

Axis Bank

Chhibber House, Ground Floor, G.S Road, Guwahati -781005

IFSC: UTIB0000140

(ii) Advising message to be sent to beneficiary bank:

IFN 760 / IFN 760 COV for issuance of bank guarantee

IFN 767 / IFN 767 COV for amendment of bank guarantee

Field number as "7037" and Particulars (to be mentioned in Row 1) as "NRL140025551" should be correctly captured in the above messages.

The supplier shall submit to NRL the copy of SFMS message as sent by the issuing bank along with the original bank guarantee. Issuing bank mail ID should be invariably mentioned on the face of the bank guarantee.

PROFORMA OF BANK GUARANTEE FOR SECURITY DEPOSIT

(ON NON – JUDICIAL PAPER OF APPROPRIATE VALUE)

Required to be submitted by successful agency after placement of work order / letter of acceptance

To

Numaligarh Refinery Ltd.
122A, G.S. Road, Christianbasti
Guwahati –781005
Phone: (0361) 2203140
Telefax: (0361) 2203146
E-mail: nrlght@gw1.vsnl.net.in

Dear Sirs:

M/s have taken tender for the work of
..... (Work Order no.....) for Numaligarh Refinery
Limited, 122A, G.S. Road, Christianbasti, Guwahati-781005.

The tender conditions of contract provide that the Contractor shall pay a sum of Rs..... (Rupees) as initial/full security Deposit in the form there in mentioned. The form of payment of security deposit includes guarantee executed by Nationalized Schedule 'A' Bank, undertaking full responsibility to indemnify Numaligarh Refinery Ltd. in case of default.

The said has approached us and at their request and in consideration of the premises we having our office at have agreed to give such guarantee as hereinafter mentioned.

1. We hereby undertake and agree with you that if default shall be made by M/s..... in performing any of the terms and condition of the tender or in payment of any money payable to Numaligarh Refinery Ltd. We shall on demand pay to you in such manner as

you direct the said amount of Rupees only or such portion thereof not exceeding the said sum as you from time to time require.

2. You will have the full liberty without reference to us and without affecting this guarantee postpone for any time or from time to time the exercise of any of the powers and rights conferred on you under the contract with the said and to enforce or to forebear from endorsing any powers or rights or by reason of time being given to said which under law relating to the sureties would but for provision have the effect of releasing us.
3. Your right to recover the said sum of Rs. (Rupees) from us in manner aforesaid will not be affected or suspended by reason of the fact that any dispute or disputes have been raised by the said M/s and /or that any dispute or disputes are pending before any officer, tribunal or court.
4. The guarantee herein contained shall not be determined or affected by the liquidation or winding up dissolution or changes of constitution or insolvency of the said, but shall in all respects and for all purposes be binding and operative until payment of all money due to you in respect of such liabilities is paid.
5. Our liability under this guarantee is restricted to (Rupees.). Our guarantee shall remain in force until unless a suit or action to enforce a claim under Guarantee is filled against us within six months from (Which is date of expiry of guarantee) all your rights under the said guarantee shall be forfeited and we shall be relived and discharged from all liabilities thereunder.
6. We have power to issue this guarantee in your favour under Memorandum and Articles of Association and the undersigned has full power to do under the power of Attorney dated granted to him by the Bank.

Yours faithfully,

Bank
By its Constituted Attorney

Signature of a person duly
Authorized to sign on behalf
Of the Bank

Annexure 18: Proforma for Bank Guarantee for Earnest Money Deposit

(ON NON – JUDICIAL PAPER OF APPROPRIATE VALUE)

Ref..... Bank Guarantee No.....

To,

General Manager (Commercial)

Numaligarh Refinery Limited,

Pankagrath, PO: Numaligarh Refinery Project,

Dist-Golaghat (Assam), India, PIN-785699

Dear Sir (s)

In accordance with letter inviting Tender under reference
No.....M/s.....
.....having their Registered / Head office
at.....(hereinafter called the Tenderer) wish to
participate in the side tender
for.....

As an irrevocable bank Guarantee against Earnest Money Deposit for an amount of
.....is required to be submitted by the Tenderer as a condition precedent for
participation in the said Tender which amount is liable to be forfeited on the happening of any
contingencies mentioned in the Tender Document.

We, the.....Bank at Having our Head
office..... (Local Address) guarantees and undertakes to pay
immediately on demand by Numaligarh Refinery Ltd, the
amount.....without any reservation, protest, demur and recourse.
Any such demand made by Numaligarh Refinery Ltd. shall be conclusive and binding on us irrespective
of any dispute or difference raised by the Tendered.

This guarantee shall be irrevocable and shall remain valid up to.....
If any further extension of this guarantee is required, the same shall be extended to such required period
on receiving instructions from M/s.....on whose
behalf this guarantee is issued.

In witness where of the Bank, through its authorized officer, has set its hand stamp on this.....Day
of.....20.....at.....

WITNESS:

(SIGNATURE NAME)

(OFFICIAL ADDRESS)

(SIGNATURE NAME)

Designation with Bank Stamp

Attorney as per

Power of Attorney No.....

Date.....

Annexure 19: Proforma for Bank Guarantee Against Advance Payment
(ON NON – JUDICIAL PAPER OF APPROPRIATE VALUE)

GUARANTEE AGAINST ADVANCE PAYMENT

This Deed of Guarantee made this _____ day of _____ between _____ and wherever the context so required includes its successors and assignees hereinafter called “the Surety” and M/s Numaligarh Refinery Limited an existing company within the companies Act, 1956, having its Registered Office at 122A, G.S. Road, Christianbasti Guwahati-781 005, Assam and wherever the context so required includes its successors and assignees, hereinafter called “the employer”.

Whereas M/s _____ a company Registered under the companies Act, 1956 having its Registered Office at _____ (wherever applicable) and wherever the context so requires includes its successors and assignees, hereinafter called “the Contractor” has undertaken to on the terms and conditions mentioned in the Letter/Telex/Fax of Intent/ Purchase Order No. dated addressed by employer to contractor hereinafter referred to as “the said contract”/

And whereas the Employer has agreed to make an advance of Rs. _____ (Rupees _____) being ____% (percent) value of the order on acceptance of the order by the contractor hereinafter referred to as “the said advance” to the contractor carrying no interest.

AND WHEREAS the Contractor has agreed with the employer authorizing him to deduct the said advance under the terms of the said contract from the amount that becomes due and payable to the contractor as per the terms and conditions described under the clause “Terms and Conditions of payment” of the purchase order on proper execution of the order.

Now this deed witnesseth that in consideration of the said advance or any balance thereof made by the employer to the Contractor, the surety hereby GUARANTEES the payment of the said advance by the Contractor and undertakes to pay the employer on demand the said sum of Rs. subject to the following conditions.

- a) “Surety hereby gives an irrevocable guarantee and declares that its liability under this bond shall extend to the payment of the whole amount viz. Rs. _____ paid as advance against acceptance and/ or procurement of the materials as referred to above as “the said advance”.
- b) This guarantee shall remain in force and effect so long as the said advance or any part thereof remains outstanding and shall expire and become ineffectual only after the recovery of entire sum of Rs. covered by the Guarantee and upon intimation thereof being given by the employer to the Surety, in which event, the surety shall be discharged by the employer.
- c) The Surety shall not be discharged or released from the Guarantee by any arrangement made between the employer and the Contractor with or without the consent of the Surety or by any alteration in the obligations of the parties or by any indulgence forbearance, whether as to payment, performance or otherwise.
- d) The guarantee shall come into force the date of contractor receives from the employer the said advance.

- e) Notwithstanding anything stated above, the liability of the Surety under the Guarantee is restricted to Rs.(Rupees) and this guarantee will remain in force up toin the first instance. However, if the contract for which this guarantee is given is not completed or fully performed the Surety (Bank) hereby agrees to further extend the Guarantee till such time as is required to fulfill the contract.

Place :
Date :

Authorised Signatory of Banker

Annexure 20: Material Appropriation Statement

NUMALIGARH REFINERY LIMITED

Srl. No	Name of material	Qty issued	Theoretical Consumption	% wastage allowed	Total	Difference	Rate	Value

Release of Procurement Manuals on 7th November 2022



The first version of the three updated Manuals for (i) Procurement of Goods, (ii) Procurement of Works, and (iii) Procurement of Consultancy & Other Services were released on 7th November 2022 during the closing function of Vigilance Awareness Week in the august presence of Former Chief Secretary of Assam and Chairman APDCL Shri Jishnu Barua, IAS (Retd); CVO OIL & NRL Shri Amit Saran (IRSME); Managing Director NRL Shri B J Phukan and Director (Finance) NRL Shri Indranil Mittra.