



## **UIDAI Procurement Manual, 2021**

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**Unique Identification Authority of India**  
Ministry of Electronics & Information Technology (MeitY)  
Government of India  
[11/2021]

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## CHAPTER 1: INTRODUCTION

### 1.1 Short Title and Commencement

- This Manual may be called the UIDAI Procurement Manual, 2021 (PM 2021).
- This Manual contains principles and procedure relating to procurement of goods and services for purposes of UIDAI and is drawn from the Rule 142 of GFR 2017 (**refer Appendix - B**) and shall come into force with effect from 1st of November, 2021.
- All on-going cases of procurement in which Request for Proposal (RFP) has already been issued would be regulated by the provisions of this Manual as far as may be applicable.

### 1.2 Applicability

The principles and procedures contained in this Manual are to be followed by all Wings of the UIDAI as well as all ROs/units/establishments thereunder, for procurement of goods and services, whether centrally or locally under the delegated financial powers of authorities, expenditure on account of which is met from the expenditure heads of the UIDAI and any other type of purchases to which the provisions are made specifically applicable.

### 1.3 Scope

- The term procurement means acquiring all types of goods such as computers, machinery, equipment, stores, spares, technical literature, etc., as well as all types of services, including packing, unpacking, preservation, transportation, insurance, delivery, special services, leasing, technical assessment, consultancy, systems study, software development, maintenance, updates, conservancy, etc.
- This document is for internal use within UIDAI only. No other party, including the present or future ecosystem partners / vendors, shall derive any right from this Manual nor have any claim on UIDAI on the basis of same. The respective rights and obligations of UIDAI and vendors are governed by the respective bidding documents and the contracts signed between UIDAI and the parties for the respective work(s).

### 1.4 Definitions

Unless the context requires otherwise, the terms / abbreviations used in this Manual will have the meaning as described in **Appendix - A** attached hereto.

### 1.5 Objective

This Manual is aimed at providing guidelines for expeditious decision making process by consolidating, simplifying and streamlining the various steps to be followed in respect of various procurement related matters such as tendering, contract approval and management, etc. The intent of the document is also to make the policies and procedures more systematic, transparent and easy to administer with major thrust on expeditious and decentralized decision making, risk mitigation with accountability and

responsibility at various stages involving procurement functions.

#### **1.6 Other Manuals and Instructions of UIDAI**

- Internal orders and instructions, including SOPs, issued by various FWs of UIDAI may be deemed to have been modified by the provisions of this Manual, to the extent the former are not in conformity with this Manual. This is necessary for ensuring uniformity among the procurement practices followed by various Wings of the Authority. The concerned FWs may take necessary action to suitably modify their internal instructions and operating procedures accordingly, wherever required.
- In case of contradiction between the provisions of this document and that of any other Government Order, Rules, Regulations etc. the same should be brought to the notice of DDG (F) for clarification and decision thereon.

#### **1.7 Conformity of this Manual with other Government Orders, etc.**

The provisions contained in this Manual are in conformity with other Government manuals like the GFR, as also other instructions issued by the Government and the CVC from time to time. If any instance of variance between the provisions of this Manual and other Government Manual comes to notice, the matter should be immediately referred to the DDG (F) for clarification. In such cases, however, the on-going procurement need not be stopped pending resolution of the issue, if the requirement is operationally urgent or delay is likely to have any adverse implications.

#### **1.8 Removal of doubts and modification**

Where any instance of variance between the provisions of this Manual and any other Government Manual comes to notice or a doubt arises as to the interpretation of any provision of this Manual, the matter should be referred through proper channel to the DDG (F) of the Authority.

#### **1.9 Deviation from procedure**

There should normally be no occasion to deviate from the procedure as sufficient flexibility has been built into the provisions of this Manual. However, if such a need arises, the matter should be referred through the DDG concerned to the DDG (F) for decision of CFA.

#### **1.10 Review and Updation of the Procurement Manual**

This document will be reviewed at yearly intervals or at any time upon the instructions of the Competent Authority. Modification/addition to any provision of this document, before or after the review, shall be incorporated with prior approval of CEO. Proposals in this regard may be forwarded to DDG (F), which shall then be examined and processed by FD, and which may obtain and take into account the views of relevant Divisions/ROs as well, if so deemed necessary by it, before putting up the suggested modifications/additions to the competent authority for approval. In case no modification/addition is considered necessary, the same shall be so intimated to the proposing Division by the FD, after obtaining approval of DDG (F) to this effect. All modifications/amendments to this document shall be effected through a sequentially

numbered document which shall be issued by the Finance Division only. Updated revisions, incorporating all amendments to the document, shall be compiled by Finance Division at an interval of every three years or earlier, if so required by the Competent Authority and will be circulated to all Divisions thereafter.

## CHAPTER 2: PROCUREMENT – OBJECTIVE AND POLICY

### 2.1 Procurement

#### 2.1.1 Fundamental Principles of Public Buying (For all Procurements including Procurement of Works)

As per GFR – 144 (refer Appendix - B)

#### 2.1.2 Transparency, Competition, Fairness and Elimination of Arbitrariness in the Procurement Process

As per GFR - 173 (refer Appendix - B)

#### 2.1.3 Efficiency, Economy and Accountability in Public Procurement System

As per GFR - 174 (refer Appendix - B)

#### 2.1.4 Code of Integrity

As per GFR - 175 (refer Appendix - B)

### 2.2 Decentralization and Delegation of Powers

- **Decentralization:** The Authority aims to have a decentralized decision making process so as to enhance efficiency and expedite decision making. The procurement function has also been decentralized. However, it must be ensured that all procuring officers meticulously follow the laid down procedures. **While seeking approval for procurement proposals from CFA at HQ, the procedure as prescribed vide order No. D-11031/02/Corrs/2011-UIDAI(Fin)Vol III dated 5<sup>th</sup> August 2021 may be adhered to (refer Appendix - U).**

- **Delegation of Powers:** With the objective of decentralizing powers to enable effective use of resources by the actual operators, financial powers have been delegated to various officers in the Authority through **Delegation of Financial Powers (DoFP)** (refer Appendix - C). These powers are to be used within the framework of laid down procedures, Standards of Financial Propriety (GFR-21, refer Appendix - B) and amplificatory instructions. The powers so delegated also imply accountability and the Competent Financial Authorities (CFAs) must ensure that financial propriety and probity are observed in all cases.

### 2.3 Types of Procurement

#### 2.3.1 Capital Procurement

Capital procurement would refer to procurement of all goods and services that fit the description of capital expenditure as per GFR - 98. (refer Appendix - B)

#### 2.3.2 Revenue Procurement

Revenue procurement would refer to procurement of all goods and services that complies with the principles stipulated as per GFR - 99. (refer Appendix - B) The

revenue procurement thus broadly implies procurement of goods and services needed to maintain and operate already sanctioned assets for the purposes, and necessity of which have been established and accepted by the Authority.

#### **2.4.1 Powers for Procurement of Goods**

The Ministries or Departments have been delegated full powers to make their own arrangements for procurement of goods and services that are not available on GeM. Common use Goods and Services available on GeM are required to be procured through GeM as per Rule 149 of GFR, 2017 (refer **Appendix - B**).

#### **2.4.2 Registration of Suppliers**

As per GFR – 150 (refer **Appendix - B**)

#### **2.4.3 Purchase of goods without Quotation**

Purchase of goods up to the value of ₹ 25,000 (Rupees Twenty five Thousand) only shall be governed by the conditions and based on certifications as specified under GFR - 154 (refer **Appendix - B**).

#### **2.4.4 Purchase of goods by Purchase Committee**

In case a certain item is not available on the GeM portal, purchase of goods costing above ₹ 25,000 (Rupees Twenty Five Thousand only) and up to ₹ 2,50,000 (Rupees two lakh fifty thousand only) on each occasion may be made on the recommendations of a duly constituted Local Purchase Committee as per the conditions, procedures and certifications specified in GFR – 155 (refer **Appendix - B**)

#### **2.4.5 Purchase of goods by Obtaining Bids (GFR -158)**

Except in cases specifically covered under conditions for purchase without obtaining quotations or through LPC, goods shall be procured under the powers referred to in GFR 147 (refer **Appendix - B**) by following the standard methods of obtaining bids in:

- (a) Advertised Tender Enquiry - As per GFR -161 (refer **Appendix - B**)
- (b) Limited Tender Enquiry - As per GFR -162 (refer **Appendix - B**)
- (c) Two-stage Bidding - As per GFR -164 (refer **Appendix - B**)
- (d) Single Tender Enquiry - As per GFR -166 (refer **Appendix - B**)
- (e) Electronic Reverse Auction - As per GFR -167 (refer **Appendix - B**)

**2.5** A demand for goods should not be divided into small quantities to make piecemeal purchases to avoid the necessity of obtaining the sanction of higher authority required with reference to the estimated value of the total demand. (GFR – 157)

## **2.6 Procurement of Services**

All instructions, methods and procedures specified herein shall apply *mutatis mutandis* to procurement of services.

## **2.7 E- Publishing**

As per GFR – 159 (refer **Appendix - B**)

## **2.8 E- Procurement**

As per GFR – 160 (refer **Appendix - B**)

## **2.9 Buy Back Offer**

When it is decided with the approval of the competent authority to replace an existing old item (s) with a new and better version, the department may trade the existing old item while purchasing the new one. For this purpose, a suitable clause is to be incorporated in the bidding document so that the prospective and interested bidders formulate their bids accordingly. Depending on the value and condition of the old item to be traded, the time as well as the mode of handing over the old item to the successful bidder should be decided and relevant details in this regard suitably incorporated in the bidding document. Further, suitable provision should also be kept in the bidding document to enable the purchaser either to trade or not to trade the item while purchasing the new one. (GFR-176)

**Note:** It may be noted that in RFPs where there are provisions for Buy Back, AON/EAS for procurement of the new items should be obtained for the full price of the new items to be procured (with Taxes) and the price of items proposed to be sold should not be deducted from the AON/EAS amount.

## **2.10 Time Limit for Procurement & Accountability**

The effect of delay in processing and clearance of various procurement activities needs no emphasis. The decentralization of decision-making mechanism and DoFP are aimed at facilitating faster decision making and obtaining the best value for money. However, delegation of powers also implies '*authority with accountability*'. Every individual in the chain of the procurement process is accountable for taking action in a specified time period so that the requirements of the Authority are met on time. A table showing the major procurement activities and their respective time frame prescribed is placed at **Appendix -D**.

## **2.11 (1) Reserved Items and other Purchase/ Price Preference Policy**

(i) The Central Government, through administrative instructions, has reserved all items of hand spun and hand woven textiles (khadi goods) for exclusive purchase from Khadi Village Industries Commission (KVIC). It has also reserved all items of handloom textiles required by the Central Government Departments for exclusive purchase from KVIC and / or the notified handloom units of Association of Corporations and Apex Societies of Handlooms (ACASH).



(ii) Ministry of Micro, Small and Medium Enterprises (MSME) have notified procurement policy under section 11 of the Micro, Small and Medium Enterprises Development Act, 2006.

(iii) The Central Government may, by notification provide for mandatory procurement of any goods or services from any category of bidders, or provide for preference to bidders on the grounds of promotion of locally manufactured goods or locally provided services. (GFR-153)

### **2.11(2) Mandatory Procurement, Product Reservation and Other Facilities for Micro and Small Enterprises (MSEs)**

Central Government has notified a Public Procurement Policy for Micro and Small Enterprises (MSEs), Order, 2018 in respect of procurement of goods and services, produced and provided by MSEs, by its Ministries, Departments and Public Sector Undertakings. Salient features of the Policy are given below:

- a. Every Central Ministry /Department / PSUs shall set an annual target for 25% procurement from MSE Sector.
- b. A sub-target of 4% out of 25% target of annual procurement earmarked for procurement from MSEs owned by SC/ST entrepreneurs.
- c. Special provision for Micro and Small Enterprise owned by women. Out of the total annual procurement from Micro and Small Enterprises, 3 per cent from within the 25 per cent target shall be earmarked for procurement from Micro and Small Enterprises owned by women.
- d. Tender sets free of cost and exemption from payment of earnest money to registered MSEs.
- e. **Price quotation in tenders-** MSEs quoting price within price band L-1 + 15%, when L-1 is from someone other than MSE, shall be allowed to supply at least 25% of tendered value at L-1 subject to lowering of price by MSEs to L-1.
- f. **Reservation of specific items for procurement.** — Continue to procure 358 items from MSEs, which have been reserved for exclusive purchase from them. (Details in MSEs Order 2012)
- g. Ministry /Department/CPSUs shall prepare their annual procurement plan to be uploaded on their official website.
- h. For enhancing participation of MSEs in government procurement, Ministry /Department/CPSUs shall conduct Vendor Development Programmes or Buyer Seller Meets for MSEs especially for SC/ST entrepreneurs.

### **2.12 Procurement of Consulting Services**

(i) **“Consulting Service”** means any subject matter of procurement (which as distinguished from ‘Non-Consultancy Services’ involves primarily non-physical project-specific, intellectual and procedural processes where outcomes/deliverables would vary

from one consultant to another), other than goods or works, except those incidental or consequential to the service, and includes professional, intellectual, training and advisory services or any other service classified or declared as such by a procuring entity but does not include direct engagement of a retired Government servant.

**Note:** These Services typically involve providing expert or strategic advice e.g., management consultants, policy consultants, communications consultant, Advisory and project related Consulting Services which include, feasibility studies, project management, engineering services, finance, accounting and taxation services, training and development etc,

(ii) The details including fundamental principles regarding engagement of consultant (s) are given in GFR-177 to 196. **(refer Appendix - B)**

### **2.13 Procurement of Non-Consulting Services**

(i) **“Non-Consulting Service”** means any subject matter of procurement which (as distinguished from ‘Consultancy Services’), involve physical, measurable deliverables/outcomes, where performance standards can be clearly identified and consistently applied, other than goods or works, except those incidental or consequential to the service, and includes maintenance, hiring of vehicle, outsourcing of building facilities management, security, photocopier service, janitor, office errand services, drilling, aerial photography, satellite imagery, mapping etc.

(ii) The details including fundamental principles regarding Non – Consulting Services are given in GFR-197 to 206. **(refer Appendix - B)**

## CHAPTER 3: WORKS

### 3.1 GFR 130

*Original works* means all new constructions, site preparation, additions and alterations to existing works, special repairs to newly purchased or previously abandoned buildings or structures, including remodeling 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.

Works will also include services or goods incidental or consequential to the original or repair works.

### 3.2 GFR 133

(1) A Ministry or Department at its discretion may directly execute repair works estimated to cost up to Rupees Thirty Lakhs after following due procedure indicated in GFR 139 (refer para 3.4), 159 & 160 (refer Appendix - B).

(2) A Ministry or Department may, at its discretion, assign repair works estimated to cost above Rupees Thirty Lakhs and original/ minor work of any value to any Public Works Organisation (PWO) such as Central Public Works Department (CPWD), State Public Works Department, other Central Government organisations authorized to carry out civil or electrical works such as Military Engineering Service (MES), Border Roads Organisation (BRO), etc. or Ministry/ Department's construction wings of Ministries of Railways, Defence, Environment & Forests, Information & Broadcasting and Departments of Posts, and Space etc.

(3) As an alternative to GFR 133(2), a Ministry or Department may award repair works estimated to cost above Rupees Thirty Lakhs and original works of any value to :

- i. Any Public Sector Undertaking set up by the Central or State Government to carry out civil or electrical works or
- ii. To any other Central/ State Government organisation /PSU which may be notified by the Ministry of Urban Development (MoUD) for such purpose after evaluating their financial strength and technical competence.

For the award of work under this sub-rule, the Ministry/ Department shall ensure competition among such PSUs/Organisations. This competition shall be essentially on the lump sum service charge to be claimed for execution of work.

In exceptional cases, for award of work under (i) and (ii) above, on nomination basis, the conditions contained in GFR 194 (refer Appendix - B) would apply. The work under these circumstances shall also be awarded only on the basis of lump sum service charge.

### 3.3 GFR 136

(1) No works shall be commenced or liability incurred in connection with it until:

- i. administrative approval has been obtained from the appropriate authority in each case.
  - ii. sanction to incur expenditure has been obtained from the competent authority.
  - iii. a properly detailed design has been sanctioned; while designing the projects etc. principles of Life Cycle cost may also be considered.
  - iv. estimates containing the detailed specifications and quantities of various items have been prepared on the basis of the Schedule of Rates maintained by CPWD or other Public Works organisations and sanctioned.
  - v. funds to cover the charge during the year have been provided by competent authority.
  - vi. tenders invited and processed in accordance with rules.
  - vii. a Work Order issued.
- (2) On grounds of urgency or otherwise, if it becomes necessary to carry out a work or incur a liability under circumstances when the provisions set out under sub-rule (1) of rule 136 cannot be complied with, the concerned executive officer may do so on his own judgment and responsibility. Simultaneously, he should initiate action to obtain approval from the competent authority and also to intimate the concerned Account Officer.
- (3) Any development of a project considered necessary while a work is in progress, which is not contingent on the execution of work as first sanctioned, shall have to be covered by a supplementary estimate.

### **3.4 GFR 139 -Procedure for Execution of Works**

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

- i. The detailed procedure relating to expenditure on such works shall be prescribed by departmental regulations framed in consultation with the Accounts Officer, generally based on the procedures and the principles underlying the financial and accounting rules prescribed for similar works carried out by the Central Public Works Department (CPWD);
- ii. Preparation of detailed design and estimates shall precede any sanction for works;
- iii. No work shall be undertaken before issue of Administrative Approval and Expenditure Sanction by the competent authority on the basis of estimates framed;
- iv. Open tenders will be called for works costing ₹ Five lakh to ₹ Thirty Lakh;
- v. Limited tenders will be called for works costing less than Rupees Five Lakh;

- vi. Execution of Contract Agreement or Award of Work should be done before commencement of the work;
- vii. Final payment for work shall be made only on the Personal Certificate of the Officer-in-charge of execution of the work in the format given below:

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

### **3.5 GFR 140**

For original/minor works and repair works entrusted as per Rule 133(2) or Rule 133(3), the Administrative Approval and Expenditure Sanction shall be accorded and funds allotted by the concerned authority under these rules and in accordance with the Delegation of Financial Powers Rules. The Public Works Organisation or the Public Sector Undertaking or any Organisation allotted work shall then execute the work entrusted to it in accordance with the rules and procedures prescribed in that organisation. A Memorandum of Understanding (MoU) may be drawn with Public Works Organisation or the Public Sector Undertaking for proper execution of work.

### **3.6 GFR 141 - Review of Projects**

After a project costing ₹ 100 crore or above is approved, the Administrative Ministry or Department will set up a Review Committee consisting of a representative each from the Administrative Ministry, Finance (Internal Finance Wing) and the Executing Agency to review the progress of the work. The Review Committee shall have the powers to accept variation within 10% of the approved estimates. For works costing less than ₹ 100 crore, it will be at the discretion of the Administrative Ministry/ Department to set up a suitable mechanism for review and acceptance of variation within 10% of the approved estimates.

## CHAPTER 4: TENDERING

### 4.1.1 Procurement through GeM

Government of India has established the Government e- Marketplace (GeM) for common use Goods and Services. Common use Goods and Services available on GeM are to be mandatorily procured through GeM in accordance with the relevant Rules of GFR, 2017, the procedure stipulated therein and the Instructions issued by Government from time to time.

### 4.1.2 Procurement outside GeM

Goods and Services not available on GeM may be procured through the different methods stipulated in GFR, 2017, i.e. Purchase without Quotations, Purchase through Local Purchase Committee, and Purchase by Obtaining Bids etc. in accordance with the extant Instructions of the Government in this regard.

### 4.1.3 Methods Permitted for Procurement

The different methods stipulated in GFR, 2017 for procurements, through GeM and outside GeM are tabulated below, in brief, in Table-1 and Table-2 respectively. However for details in this regard the relevant provisions of GFR may be referred to.

**Table-1**

**(For procurement of Goods and Services through GeM)**

S. No.	Estimated Value of Procurement (₹)	Method(s) Stipulated	Relevant GFR @
1	Upto ₹ 25,000	Through any of the available suppliers on GeM, meeting the requisite quality, specification and delivery period.	149(i)
2	Above ₹ 25,000 and upto ₹ 5,00,000 (Excluding Automobiles where the limit is upto ₹ 30,00,000)	Through GeM seller having the lowest price amongst the available sellers of at least three different manufacturers.	149(ii)
3	Above ₹ 5,00,000 (Excluding Automobiles where the limit is above ₹ 30,00,000)	Through the supplier having lowest price after mandatorily obtaining bids, using online bidding or reverse auction tool on GeM.	149(iii)

@ refer **Appendix - B**

**Table-2**

**(For procurement of Goods and Services outside GeM)**

S. No	Method(s) Stipulated	Estimated Value of Procurement (₹)	Relevant GFR@	Remarks
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1	Without inviting quotations or bids	Upto ₹ 25,000	154	-
2	Local Purchase Committee (LPC)	Above ₹ 25,000 and upto ₹ 2,50,000	155	-
3	ATE should be used for procurement of goods of estimated value of ₹ 25,00,000 and above, subject to exceptions under GFR 154,155,162 and 166.	₹ 25,00,000 and above	161	--
4.	LTE method may be adopted when estimated value of goods is upto ₹ 25,00,000.	Upto ₹ 25,00,000	162	<b>LTE</b> is permissible subject to conditions specified in <b>GFR -162</b> . <b>LTE</b> for goods exceeding ₹ 25,00,000 is permitted only in <b>special circumstances</b> specified in <b>GFR- 162</b>
5.	STE method can be adopted under the circumstances mentioned in GFR 166, 194 &204	-	166, 194 & 204	<b>STE</b> is permitted only in <b>special circumstances</b> specified in <b>GFR – 166, 194 &amp; 204</b> and may require justification <b>and</b> its acceptance by CFA
6.	Electronic Reverse Auction can be adopted under the circumstances mentioned in GFR 167	-	167	-

@ refer Appendix – B

#### 4.2 Publicity

All Tender Enquiry notifications should be:

- Sent directly by speed post / registered post / courier / email / fax to firms which are listed on the list of registered suppliers and/or to the Original Equipment Manufacturers (OEMs) and their authorized dealers / distributors, of the goods in question. (applicable for Limited Tender Enquiry cases only)
- posted on the Central Public Procurement Portal (CPPP) of the GoI.
- published on the website of the Authority.

### **4.3 Preparation of the Notice Inviting Tender (NIT)**

The NIT should contain salient features of the requirement in brief to give a clear idea to the prospective bidders about the requirements. It should normally contain the following minimum information:

- a. Description and specification of the goods and quantity
- b. Period and terms of delivery
- c. Cost of the tender / bidding document (if applicable)
- d. Place(s) and timing of sale of tender documents (if applicable)
- e. Address of the website from where the tender document could be downloaded
- f. Place and deadline for receipt of tenders
- g. Place, time and date for opening of tenders
- h. Amount and form of Bid Security / Earnest Money Deposit
- i. Terms of Payment
- j. Any other important information

### **4.4 Tender documents on the website**

The complete tender document should be posted on the website and the prospective bidders should be permitted to make use of the documents downloaded from website of the Authority and/or CPPP. If such a downloaded document is priced, there should be clear instructions for the bidder to pay the amount by demand draft, etc., along with the bid. Such documents must be secured to avoid possibility of any modification therein.

### **4.5 Time to be given for submission of bids**

Ordinarily sufficient time should be allowed for submission of bids. In case of LTE at least two weeks' and in case of ATE at least three weeks' time from the date of publication of the tender notice or availability of the bidding document for sale, whichever is later, should be allowed to prospective bidders. Reduced time frame for submission of bids may be adopted, under orders of CFA with concurrence of DDG (F), in the case of emergent local purchases of supplies by use of FAX, e-tendering etc.

### **4.6 Caution to be exercised while granting PAC**

PAC bestows monopoly and obviates competition. Hence, PAC status must be granted after careful consideration of all factors like fitness, availability, standardization and value for money. However, spares, upgrades, licenses and the like may be sourced from OEM or OEM approved / recommended manufacturers only in order to make the OEM responsible for the main goods. The PAC should be as per the format given in GFR-166 (refer **Appendix - B**).



## **4.7 Single Bid System and Two Bid System**

### **4.7.1 Single Bid System**

For stores available commercially off-the-shelf (COTS) and local purchase items, where qualitative requirements and technical specifications are clear, single commercial bid system may be followed. This system may also be followed for other procurements of non-complex nature. No sample should be called for in single bid system at the RFP stage.

### **4.7.2 Two Bid system (Simultaneous Receipt of Separate Technical and Financial Bids)**

For purchasing high value plant, machinery, etc. of a complex and technical nature, bids should normally be obtained in two parts as under:

- (i) Technical bid consisting of all technical details along with commercial terms and conditions and
- (ii) Financial bid indicating item-wise price for the items mentioned in the technical bid.

The manner of submission of bids in the two-bid system shall be as specified under **GFR - 163**. (refer **Appendix - B**)

## **4.8 Cost of Tender Documents**

Tender sets in respect of ATE will be sold on payment of the prescribed price as given in **Appendix - E**. However, 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 [GFR 161(iv)].

## **4.9 Bid Security (Earnest Money Deposit)**

To safeguard against a bidder's withdrawing or altering its bid during the bid validity period in the case of advertised or limited tender enquiry, Bid Security (also known as Earnest Money Deposit) is to be obtained from the bidders. The bidders should be asked to furnish the bid security along with their bids. The various bid security parameters such as amount, form, validity, refund, exemption and forfeiture etc. shall be governed by GFR - 170 (refer **Appendix - B**) and are tabulated in Chapter 8 (**Banking Instruments**) hereinafter. However, in place of a Bid Security, Bidders may sign a Bid Securing Declaration as stipulated in GFR 170 (iii). (refer **Appendix - B**). Certain categories of Bidders as mentioned in GFR 170 (i) are exempted from submission of Bid Security.

## **4.10 Tendering Process**

### **4.10.1 Description of the User Requirement**

The RFP should lay down user's requirements in a comprehensive, structured and concrete manner and should be broad based. The requirements should be expressed in terms of functional characteristics. Specific quality assurance requirements, if any,

should be included in the RFP.

#### **4.10.2 Expression of Interest (EOI)**

In those cases where specifications of the desired goods or services are not clear or the sources are not known and it is considered desirable to resort to pre-qualification of suppliers, a notice calling for EOI may be issued and pre-bid conference may be held with the firms which fulfill the criteria prescribed in the notice to firm up the Qualitative Requirements (QRs) / specifications before issuing the Request for Proposal.

#### **4.10.3 Preparation of the Request for Proposal (RFP) / Tender Enquiry (TE)**

RFP/TE is the most important document in the procurement process and should be prepared with due care containing complete details of the items or services required, terms and conditions including payment terms, full and clear specifications, scope of requirement and the evaluation criteria, both for technical bids and commercial bids, and clear instructions to the bidders. RFP should be vetted by FD.

#### **4.10.4 Pre-Contract Integrity Pact**

An “Integrity Pact” would be signed between the Buyer and the Bidder for purchases / Contracts of ₹ 40 crores and above. This is a binding agreement between the Buyer and Bidders for specific contracts in which the Buyer promises that it will not accept bribes during the procurement process and Bidders promise that they will not offer bribes. Under this Pact, the Bidders for specific services or contracts agree with the Buyer to carry out the procurement in a specified manner.

#### **4.10.5 Contents of Bidding Documents**

As per GFR-168 (refer Appendix - B)

#### **4.10.6 Format of RFP**

A suggested format of the RFP for procurement of goods and services is given at Appendix - T.

#### **4.10.7 Amendment to the RFP**

Sometimes situations may arise necessitating modification of the tender documents due to change in the required quantity or specifications or to amend some genuine mistakes therein. Copies of such amendment/ modification should be simultaneously sent free of cost by registered/speed post/courier/e-mail to all the selected suppliers (under LTE) or to all the parties who may have already purchased the tender documents (ATE). Copies of such amendments are also required to be prominently attached to the unsold tender documents (which are available for sale), including the tender documents put on the web. When the amendment/modification changes the requirement significantly and/or when there is not much time left for the tenderers to respond to such amendments, and prepare revised tender, the time and date of submission of tenders are also to be extended suitably, along with suitable changes in the corresponding time- frames for receipt of tender, tender validity period etc. and

validity period of the corresponding EMD/Bid security. Depending on the situation, such an amendment may also need fresh publication adopting the same procedure as for publication of the original tender enquiry. The amendment shall be done under orders of CFA with DDG (F)'s concurrence.

#### **4.10.8 Extension of Tender Opening Date**

Irrespective of the need for extension arising from any amendment/s to the RFP, the CFA with the concurrence of DDG (F), may extend the date of opening of the tender as specified in the RFP but such extension should not exceed the total delivery period envisaged in the RFP. Any further extension would require approval of the next higher CFA and should be published in the same journals/newspapers in which the original RFP was published and must also be given publicity through the web.

#### **4.10.9 Extension of Tender Opening Date after Due Date of Opening**

In exceptional circumstances, date of opening of the tender may be extended within a reasonable period after the due date of the opening of tenders for reasons to be recorded in writing, with the approval of the CFA and in consultation with the DDG (F).

### **4.11 Tender Opening**

#### **4.11.1 Under Single Bid System**

The following procedure should be followed for opening of tenders:

- a. All the tenders received on time should be opened in the presence of authorized representatives of the tenderers at the prescribed time, date and place by the official / Tender Opening Committee, to be nominated by the CFA in advance. The authorized representatives, who intend to attend the tender opening, would be required to bring with them letters of authority from the tenderers concerned.
- b. The tender opening official/committee should announce the salient features of the tenders like 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.
- c. After opening, every tender should be numbered serially, initialed, and dated on the first page by the official(s) authorized to open the tenders. Each page of the price schedule or letter attached to it shall also be initialed by them with date, particularly the prices, delivery period etc., which should also be circled and initialed indicating the date. Blank tenders, if any, should be marked accordingly by the tender opening officials.
- d. Alterations in tenders, if any, made by the tenderers, should be initialed with date and time by the official(s) opening the tenders to make it perfectly clear that such alterations were present on the tenders at the time of opening.
- e. Wherever any erasing or cutting is observed, the substituted words should also

be encircled and initialed with date and time to make clear that such erasing/cutting of the original entry was present on the tender at the time of opening.

f. The tender opening official(s) should prepare a list of the representatives attending the tender opening and obtain their signatures on the list. The list should contain the representatives' names and the corresponding tenderers' names and addresses. The authority letters brought by the representatives should be attached with this list. This list should be signed by the tender opening official(s) with date and time.

g. An on-the-spot report containing the names of the tenderers (serial number wise) salient features of the tenders, as read out during public opening of tenders should be prepared by the tender opening official(s) duly signed by them with date and time.

h. The tenders, which have been opened, the list of the representatives attending the tender opening and the on-the spot report should be handed over to the nominated officer of the procuring agency and acknowledgement obtained for the same.

#### **4.11.2 Under Two-Bid System**

The procedure laid down in the preceding paragraph should be followed mutatis mutandis under two bid system also, but only the technical bids should be opened in the first instance. Commercial bids of only QR-compliant tenderers should be opened only after evaluation of the technical bids and approval of the Technical Evaluation Committee (TEC) report by the CFA. The commercial bids of other tenderers, who are not found to comply with the QRs as above, will be returned to the tenderers, in sealed and unopened condition as received.

### **4.12 Evaluation of Technical Bids**

#### **4.12.1 Opening of Technical Bids**

In cases where quotations are invited as separate technical and commercial bids, initially only the technical bids are to be opened, in the presence of the tenderers, or their duly authorized representatives.

#### **4.12.2 Technical Evaluation**

After opening of the technical bids, technical evaluation is to be carried by a duly appointed TEC.

#### **4.12.3 Technical Evaluation Committee (TEC)**

TEC, wherever formed, should invariably have representatives of the user, designated inspecting agency, maintenance agency, procurement agency and CFA, apart from the TEC Chairman. Finance representative need not be associated with the TEC.

#### **4.12.4 Objective of the TEC**

The main objective of the TEC is to prepare technical matrix showing how the technical parameters of bids received compare with the parameters mentioned in the tender document/RFP. If the offers conform to the essential parameters they should be accepted.

#### **4.12.5 Preparation of Compliance Report by TEC**

The TEC should prepare a compliance statement bringing out the extent of variations and differences, if any, in the technical characteristics of the equipment/ tendered item(s) offered by various vendors with reference to QRs and compliance or noncompliance with the essential parameters. If considered necessary, the TEC may invite those vendors who meet essential parameters for technical presentation/clarification.

#### **4.12.6 Mandate of the TEC as regards commercial aspects**

**The TEC is not authorized to discuss commercial aspects of the case.** However, the TEC should prepare a compliance statement in respect of commercial terms and conditions, such as bid security, warranty, etc., included in the technical bid as per the RFP.

#### **4.12.7 Association of FD**

Whenever two bid system of tendering is followed, technical evaluation of the bid becomes a vital step not only for ascertaining conformity of the technical bids with the technical specifications mentioned in the tender, but also to bring all bidders on a level playing field in respect of qualitative requirements. While technical evaluation is to be carried out by the TEC and FD need not be associated at this stage, CFA may, if considered necessary, evolve a system of associating the DDG (F) or his representative in examination of the TEC Report in regard to compliance with the commercial terms and conditions before opening of the price bid.

#### **4.12.8 Approval by the CFA**

TEC report, once finalized, should be sent to CFA for acceptance.

### **4.13 Evaluation of Commercial Bids**

#### **4.13.1 Preparation of the Comparative Statement of Tenders**

After opening of the commercial bids (of QR-compliant tenderers in the case of two bid system and after approval of the TEC report by the CFA), a Tender Purchase Committee (TPC) - which could be same as the tender opening committee / TEC or a separate body of officials with representation same as in the TEC - should prepare a Comparative Statement of Tenders (CST). The CST should show each element of costs quoted for (i.e. basic cost, taxes, levies, etc.) separately against each tenderer. CST should be prepared soon after opening of the commercial bids and got vetted by the FD as to its correctness.

#### **4.13.2 Commercial Evaluation**

Evaluation of commercial bids is the core activity in any purchase decision. If the correct evaluation of quoted rates, freight, insurance, taxes, duties and other expenses involved is not carried out as per the criteria incorporated in the RFP, purchase decision may become deficient and faulty. The TPC shall evaluate the commercial bids, identify L-1 bidder and the reasonableness of L-1 offer, and recommend further action which could be either placement of supply order on L-1 or commercial negotiations or retendering. These recommendations will be placed before the CFA, through DDG (F), for acceptance.

#### **4.13.3 Commercial Negotiations**

It is not mandatory to hold commercial negotiations in each case, particularly in open and limited tender cases, where the response has been substantial and the L1 price is found to be very close to the reasonable price, if such an assessment had been carried out prior to opening of the commercial bids. However, commercial negotiation may become necessary to ensure that the interest of the Authority is fully protected and the price paid is reasonable. Commercial negotiations are invariably conducted in case of single tender situations, including PAC cases, or when price is considered high with reference to assessed reasonable price, irrespective of the nature of tendering. Such negotiations are invariably conducted by a duly appointed Commercial Negotiation Committee (CNC), which should invariably include a finance member.

#### **4.13.4 Composition of CNC**

Apart from the Chairman of the CNC, there should be representatives of the User Department, FD, designated Inspecting Agency, Maintenance Agency, units concerned with post-contract management and the CFA, wherever applicable. CFA may nominate any other member, like a costing expert, in case of high value single vendor offers while constituting the CNC.

#### **4.13.5 Chairman of the CNC**

The CNC may be headed by an officer one rank below that of the CFA.

#### **4.13.6 Price Reasonableness**

**The basic objective of the CNC is to establish reasonableness of price being paid by the Authority.** This is a complex task and many factors need to be considered. Factors like the last purchase price (LPP), movement of price indices, the market intelligence regarding cost of the item or similar items, material composition, cost analysis of raw materials, technological complexities involved, whether the items are of current production or otherwise, maintenance requirements, requirement of spares and warrantee etc. need to be considered while examining price reasonableness.

#### **4.13.7 Responsibility of the CNC**

Wherever negotiations are conducted by the CNC, minutes of the CNC meetings should be recorded clearly and expeditiously. CNC should determine L-1 and make unambiguous and specific recommendations giving reasons for making the recommendations. Detailed record of discussions regarding compliance with tendered

QRs, price and contract clauses held during the CNC should be prepared and placed on record in the form of minutes of the meeting. All the members of the CNC should sign the minutes.

#### **4.13.8 Acceptance of CNC's recommendations**

The recommendations of the CNC should be processed on file by the Procuring Division for the approval of the CFA with the concurrence of the DDG (F).

#### **4.13.9 Revised Commercial Bids in Two Bid System**

In case of procurement involving two-bid system, it may not be practicable to incorporate all possible details in the technical specification(s), thereby requiring elaborations/clarifications during technical discussion. This may necessitate submission of revised commercial bids consequent upon discussion during TEC. It would be advisable to give equal opportunity to all technically acceptable vendors to give their revised commercial bids in a sealed cover. The CNC would take into account the revised commercial bids to arrive at L-1.

#### **4.13.10 CFA's Approval for Obtaining Revised Commercial Bids**

Before calling for revised commercial bids where original price bids have not been opened, approval of CFA should invariably be taken, after consulting FD. It is absolutely essential to give equal opportunity to all qualified vendors.

#### **4.14 Lack of Competition**

The following situations would imply lack of competition:

- a. The number of acceptable offers is less than two.
- b. Ring prices have been quoted by all tenderers (Cartel formation).
- c. The product of only one manufacturer has been offered by all the tenderers irrespective of the number of quotations.
- d. Store under purchase is chronically in short supply against which the number of acceptable offers never exceeds two.

#### **4.15 Resultant single tender situation or in case of a STE proposed as such Action to be taken where there is Lack of Competition**

There are cases when only a single quote or a single valid acceptable quote is received even against LTE or ATE. This situation may arise in single bid tendering as well as in two-bid tendering before or after technical evaluation. This results in a single vendor situation indicating lack of competition. In such situations, the following aspects will be examined:

- a. Whether all necessary requirements such as standard tender enquiry conditions, industry- friendly specifications, wide publicity, sufficient time for formulation of tenders had been taken care of while issuing the RFP;

- b. Whether the RFP had been properly dispatched and duly received by the prospective vendors to whom these were sent.
- c. Whether the QRs could be reformulated and made more broad based to generate wider competition.
- d. Whether time and criticality of requirement permits reformulation of the QRs.
- e. If the examination reveals that (a) and (b) had been complied with and (c) and (d) are not feasible, the proposal may be processed further treating it as a case of ATE or LTE as the case may be with the approval of the CFA, through DDG(F). In case, however, there is any doubt about the tendering process or it is considered feasible to consider reformulation of QRs without compromising on operational requirement, the RFP should be retracted and re-issued after rectifying the deficiencies and/or reformulating the QRs.

#### **4.16 Re-Tendering**

Re-tendering may be recommended by the TPC/CNC and approved by the CFA with the concurrence of DDG(F), where original sanction was accorded with the concurrence of DDG(F), with utmost caution, generally under the following circumstances:

- a. Offer(s) do not conform to QRs and other terms and conditions set out in the RFP.
- b. There are major changes in specifications and quantity, which may have considerable impact on the price.
- c. Prices quoted are unreasonably high with reference to assessed reasonable price or there is evidence of a sudden slump in prices after receipt of the bids.
- d. Where there is lack of competition and there are clear and reasonable grounds to believe that the lack of competition was due to restrictive specifications, which did not permit many vendors to participate. In such cases, which should, however, be rare as the specifications should normally be formulated with due care and after pre-bid conference, wherever required, CFA should consider if there is a possibility of reviewing the specifications to facilitate wider and adequate competition.

#### **4.17 Withdrawal of Offer by L-1**

In case the lowest tenderer withdraws his offer, re-tendering should be resorted to. While re-tendering RFP may not be issued to the vendor who had backed out and EMD, if any, of such a firm should be forfeited.

#### **4.18 Procurement of bare minimum quantity in case of re-tendering**

In cases where it is decided to resort to re-tendering due to unreasonableness of the quoted rates but the requirement is urgent/inescapable and re-tendering for the entire quantity is likely to delay the availability of the item(s) jeopardizing the essential



operations, maintenance and safety, negotiation may be held with the L-1 bidder for supply of a bare minimum quantity. The balance quantity should, however, be procured expeditiously through re-tender, following the normal tendering process.

#### **4.19 Signing of Contract / Placing of Supply Order**

Once the CNC recommendations are accepted by the CFA or approval accorded by the CFA in those cases in which no CNC is held, the contract should be signed or the supply order placed, as the case may be, immediately. It must be ensured that the contract/supply order is as per the approved terms and conditions and the rates are correctly shown as finally negotiated and accepted by the CFA. Contracts/supply orders should be vetted by the DDG (F), prior to acceptance of the purchase proposal by the CFA. Copies of the contract/supply order should be sent to all concerned, including the DDG (F), the Audit Division and the PAO, and their acknowledgement obtained.

## **CHAPTER 5: APPROVAL PROCESS**

### **5.1 Processing of Proposals for CFA's Approval**

All procurement proposals should be initiated in the form of a Statement of Case (SoC), which should clearly bring out all aspects of the proposal, including the justification/reason for procurement, quantity, cost, likely sources of supply, mode of tendering, etc. The format of SoC given in **Appendix - F** may be used for this purpose, with suitable changes as required. It needs to be kept in view that expeditious processing of the proposal depends on the comprehensibility and quality of the SoC. Draft NIT/RFP should also be submitted along with the SoC for AON sanction of the CFA in consultation with DDG (F)/Financial Adviser (FA).

### **5.2 Approval for tender enquiry, request for proposal and other similar documents related to procurement**

The approving authority for tender enquiry, request for proposal and other similar documents related to procurement, amendments thereto, constitution of tender/bid opening and evaluation committees, technical/commercial negotiation committees and approval of recommendations of such committees and other matters incidental to procurement process will be the Chief Executive Officer (CEO) for all cases which have not been delegated to subordinate officers of UIDAI.

### **5.3 Approval for Acceptance of Necessity and Expenditure Angle Sanction**

The approving authority for Acceptance of Necessity (AON) and Expenditure Angle Sanction (EAS) will be as per the UIDAI Delegation of Financial Powers Orders issued from time to time.

### **5.4 Processing of Proposals after CFA's Approval**

After the approval of CFA, the procuring agency should take necessary action for procurement/tendering as per the provisions of Chapter 4 of this Manual.

### **5.5 Processing of Proposals subject to Availability of Funds**

A procurement proposal should normally be processed only if it figures in the Annual Procurement Plan (wherever such Plans are being prepared, irrespective of the nomenclature of the Plan) and subject to availability of funds. Availability of funds should be determined only after accounting for cash outgo during the relevant financial year on account of committed liabilities.

### **5.6 Processing of Proposals without linking them with Availability of Funds**

Subject to the general rule that purchase proposals should be processed with due regard to availability of funds, a procurement proposal may be processed without linking it with actual availability of funds, if it is certified by the budget holder that there is reasonable certainty of funds becoming available by the time the proposal reaches the final stage of contracting/placing of supply order.

### **5.7 Finance Concurrence: Prior Concurrence & Ex-post Facto Regularization**

CFA's approval is subject to prior concurrence of DDG (F)/(FA). There is no provision to obtain ex post facto concurrence of DDG (F)/FA, and cases where prior concurrence is not obtained, though required, would be treated as cases of breach of rules and regulations and referred to the next higher CFA for regularization. Such regularization will be subject to concurrence of DDG (F) to the next higher CFA.

## **5.8 CFA Approvals: Ex-post Facto Regularization**

In cases where proposal is approved by an authority not competent to sanction, there is no provision to obtain ex-post facto approval of CFA as a routine and such cases would be treated as breach of rules and regulations. However, in exceptional cases, ex-post facto sanction may be accorded by the appropriate CFA with the advice (which shall not be construed as concurrence) of the DDG (F)/FA for ratification / regularization, depending upon the merits of each case.

## **5.9 Disagreement with the DDG (F)/FA**

In case of disagreement with the DDG (F)/FA, the CFA can overrule the DDG (F)/FA under intimation to the next higher CFA as well as the DDG (F) giving reasons for overruling the financial advice. In such cases, it would be open to the DDG (F) to take up the matter with the Secretary Expenditure, MoF, GoI and higher CFA or drop it. In cases where advice of DDG (F)/FA has been overruled by CFA, the corresponding clause to be added to the sanction should incorporate the following text:

*"This sanction issues with the approval of CFA. The advice of DDG (F)/FA was conveyed vide Dy. No. \_\_\_\_\_ dt. \_" {refer DoFP Rules, Rule 25}*

## **5.10 Acceptance of Necessity (AON)**

### **5.10.1 Combining Various Stages of Processing (while seeking approval of the CFA)**

It is not necessary that a proposal should be processed sequentially for AON, Quantity Vetting, financial concurrence, etc. A proposal, when initiated, should be complete in all respects so that all the aspects relating to AON, quantity vetting, costing, vetting of NIT/RFP, etc., could be examined simultaneously by the DDG (F)/FA.

### **5.10.2 CFA's Sanction**

A sanction is a written authority from the CFA authorizing the expenditure. A sanction invariably indicates the reference to the authority under which expenditure is being sanctioned, the financial implication, the item for which the expenditure is approved and the budget code head. Whenever the final expenditure exceeds the sanctioned amount, revised financial sanction of the CFA, in whose delegated powers the total expenditure would fall, is required to be obtained. The format for **Sanction Letter / Expenditure Angle Sanction (EAS)** is given in **Appendix - G**.

### **5.10.3 Responsibilities of CFA in a Purchase Decision**

The CFA must consider all aspects of the case, including the quoted terms and conditions of the contract, delivery period, taxes and duties applicable, freight,

insurance and other charges and the compliance to the specification before a purchase decision is taken. One of the important responsibilities of the CFA is to ensure proper ranking of all offers so that the decision making process is totally transparent. The financial implication should be considered as the all-inclusive cost to the User on delivery to the designated consignee(s). Conditional offers and those with specifications not in conformity with the tendered specifications (essential QRs) should not be considered. Before according sanction, concurrence of FD should be taken wherever the powers are exercisable subject to such concurrence.

#### **5.10.4 Compliance with Procedures**

While taking the purchase decision, the CFA needs to satisfy himself that proper procedures have been followed at various stages of procurement, purchase policies of the Government have been complied with and capacity and financial status of the firm have been checked. Purchase decisions should be taken through a formal order in a written form.

#### **5.10.5 Accountability**

The decentralization of decision making mechanism and DoFP are aimed at facilitating faster decision making and obtaining best value for money. However, the DoFP also implies '*authority with accountability*'. The CFA approving the expenditure must ensure financial propriety and probity, transparency and fair play as well as optimum utilization of resources. The CFA and all members of various procurement committees are accountable for all decisions taken by them while approving any measure involving Government funds. This accountability is unconditional and absolute.

## **CHAPTER 6: CONTRACT MANAGEMENT**

### **Types of Contract and General Principles for Contracting**

#### **6.1 Types of Contracts**

Government contracts can be of many types depending on the nature of the item being procured, work to be executed, services required to be rendered and support to be provided.

#### **6.2 General Principles of Contracting**

As per GFR - 224, 225 (refer **Appendix - B**)

#### **6.3 Accountability**

The responsibility for contract management and payment propriety and all aspects associated with it rests entirely with the procuring Division / Unit.

#### **6.4 Changes in the terms of / Amendment to a Concluded Contract and/or Sanction**

As per GFR - 224, 225 (refer **Appendix - B**). Any term / condition/ stipulation/ requirement of a contract and/or of an EAS can be amended or modified or relaxed only by the CFA with DDG (F)'s concurrence.

#### **6.5 Termination of Contract**

A contract may be terminated in the following circumstances:

- a. When the supplier fails to honor any part of the contract including failure to deliver the contracted stores/render services in time.
- b. When the contractor is found to have made any false or fraudulent declaration or statement to get the contract or he is found to be indulging in unethical or unfair trade practices.
- c. When both parties mutually agree to terminate the contract.
- d. When the item offered by the supplier repeatedly fails in the inspection and/or the supplier is not in a position to either rectify the defects or offer items conforming to the contracted quality standards.
- e. Any special circumstances, which must be recorded to justify the cancellation or termination of a contract.

#### **6.6 Contract Effective Date**

The contract effective date is normally the date on which the contract is signed by both the parties unless otherwise mutually agreed to and clearly indicated in the contract as per agreed terms and conditions.

## **6.7 Conditions of Contract**

A contract is a legal document and must be governed by certain terms and conditions to protect the interest of both the parties to the contract. It is important that every purchase officer is not only thoroughly familiar with each conditions of a contract, but that he is also able to take appropriate and timely action to safeguard the rights and honor of the Purchaser. It is also desirable that the conditions of a contract are practical, fair and just for both the Purchaser and the Supplier. The conditions of contract become binding for both parties on signing/acceptance of the mutually agreed contract.

## **6.8 General Conditions of Contract (GCC) and Special Conditions of Contract (SCC)**

In order to facilitate clear understanding of the conditions of contract, a set of standard conditions, generally applicable to all contracts (GCC), is formulated and made available to all firms at the time of registration itself. SCC are supplementary conditions applicable to a specific tender and contract. The GCC & SCC are included in the Format of the RFP (**Appendix - T**).

## **6.9 Payment of Advance**

Ordinarily, payments for services rendered or supplies made should be released only after the services have been rendered or supplies made. Therefore, no advance should be offered in the RFP. However, it may become necessary to make advance payments in the following types of cases:

- a. Advance payments are demanded by firms holding maintenance contracts for servicing of air- conditioners, computers, other costly equipment, etc.
- b. Advance payments demanded by firms against fabrication contracts, turnkey contracts, etc. Where it is decided to provide advance payment, the quantum should be incorporated upfront in the RFP.

## **6.10 Quantum of Advance**

As per GFR – 172 (**refer Appendix - B**).

## **6.11 Stage/Part Payments**

As per GFR – 172 (**refer Appendix - B**). If stage/part payments are proposed to be made on achievement of milestones, it should be clearly mentioned upfront in the RFP with the approval of CFA and the concurrence of the DDG (F).

## **6.12 Securing the Advance**

While making any advance payment, adequate safeguards in the form of bank guarantee, etc., should be obtained from the firm. The various security parameters such as amount, form, validity, refund and forfeiture etc. are tabulated in Chapter 8 on **Banking Instruments**.

### **6.13 Price Variation Clause/Price Adjustment Clause**

As per GFR – 225 relating to General Principles of Contract (**refer Appendix - B**).

### **6.14 Performance Security**

To ensure due performance of the contract, Performance Security is to be obtained from the successful bidder awarded the contract. The various performance security parameters such as amount, form, validity, refund, etc. shall be governed by GFR 171 (**refer Appendix - B**) and are tabulated in Chapter 8 (**Banking Instruments**).

### **6.15 Payments**

#### **6.15.1 Payment Terms**

Payment terms are of great importance both for the purchaser and the supplier as the cost of finance plays a very important role in deciding the cost of a good or service being contracted for. Normally, 95% of the contract amount is released against provisional receipt of the item at the consignee's premises along with inspection note and other documents. Balance 5% is released after the stores have been properly checked and accounted for. Some suppliers prefer 100% payment after delivery and accounting, which may be accepted. In many cases, suppliers request for allowing part supply and corresponding part payment. Such requests can also be considered by the CFA for acceptance on merit of individual cases.

#### **6.15.2 Paying Authority**

The specific office which would be responsible for making payment should be clearly mentioned in the RFP and the contract.

#### **6.15.3 Documents to be submitted for Audit and for claiming Payment**

The documents to be submitted for audit and payment depend upon the nature of procurement and the terms and conditions of a particular supply order/contract. However, essential documents that are required for audit and payment are listed in **Appendices - H & I** respectively

### **6.16 Delivery**

Timely delivery as per the Delivery Period (DP) stipulation in the Contract/Purchase Order is one of the most important procurement objectives. The stores are considered to have been delivered only when these are handed over to the consignee after due inspection by the designated inspecting agency.

### **6.17 Correctness of the Quality and Quantity**

On receipt at the consignee's premises, the stores are checked for ascertaining the correctness of quantity, quality and documents. In case the stores are found deficient in any way, the consignee has the right to reject the stores even if these were inspected and cleared by the inspector.

## **6.18 Failure to deliver within the delivery date**

When the supplies do not materialize by the stipulated contract delivery date, the purchaser has the option of:

- a. Extending the delivery date with imposition of LD and denial clause, which implies denial of increase in price, taxes, duties, etc. taking place during the extended period.
- b. Re-fixing the delivery date.
- c. Canceling the contract.

Action in respect of any of the above stated options would require a prior sanction of the CFA with DDG (F)'s concurrence.

## **6.19 Maximum Period of Extension**

The maximum period of extension of delivery that can be granted by the CFA should be such that the total period - the original delivery period plus the extension - does not exceed twice the original delivery period. Extensions beyond this period would require sanction of the next higher CFA.

## **6.20 Deciding the Course of Action in the Event of Failure of Supply**

For deciding on these options the procuring department has to balance the time factor required for making repurchase and whether the supply can be arranged earlier than the period of extension sought for at cheaper rates from alternative sources and in the latter case whether the indenter can reasonably wait to take advantage of lower trend in prices. Extension shall be granted only where the CFA is convinced that supplier would come forward during extended DP.

## **6.21 Liquidated Damages (LD)**

Compensation of loss on account of late delivery where loss is pre-estimated and mutually agreed to is termed as the LD. Law allows recovery of *pre-estimated loss*, provided such a term is included in the contract. For imposition of LD, there is no need to establish actual loss due to late supply. The legal position with regard to claim for liquidated damages is as follows:

- a. Whatever the quantum of the loss sustained, the claim cannot exceed the sum stipulated in the contract.
- b. *Only reasonable sum* can be calculated as damages, which in given situation may be less than the sum stipulated.
- c. What is a reasonable sum would depend on facts.
- d. Court may proceed on the assumption that the sum stipulated reflects the genuine pre- estimates of the parties as to the probable loss and such clause is intended to dispense with proof thereof.



e. The distinction between penalty and LD has been abolished by the Indian Contract Act and in any case, the Court is not bound to award more than 'reasonable compensation' not exceeding the amount so named.

#### **6.22 Quantum of LD**

As a general rule, if the contractor fails to deliver the stores/service or any installment thereof within the DP or at any time repudiates the contract before expiry of such period, the CFA, without prejudice to the right of the purchaser to any other remedy for breach of contract, may recover from the contractor a sum equivalent to 0.5% of the prices of any stores which the contractor has failed to deliver within the period agreed for delivery in the contract, for each week or part thereof during which the delivery of such stores may be in arrears, where delivery thereof is accepted after expiry of the aforesaid period. The total damages shall not exceed value of 10% of undelivered goods. *The LD cannot exceed the amount stipulated in the contract.*

#### **6.23 Waiver of LD**

LD may be waived in full or part, depending on the circumstances, on request of the supplier, and with the approval of the CFA and the concurrence of the DDG (F). In all such cases, adequate reasons should invariably be recorded for waiving the LD.

#### **6.24 Consequential Damages**

Consequential Damages are imposed over and above LD in case of time critical turn-key projects, provided they are so included in the RFP and the contract.

#### **6.25 Arbitration**

If a dispute arises between the Purchaser and the Supplier and it does not get resolved through mutual discussions, the parties may agree for arbitration. CFAs should prepare a panel of arbitrators for selection by the Competent Authority. CFA's have the power to appoint Arbitrators. The option of approaching Ministry of Law for appointment of Arbitrator can also be exercised. The standard format of the Arbitration clause is given in **Appendix - J**

#### **6.26 Force Majeure**

Wherever considered necessary, this clause may be included in the RFP and in the Contract. The standard format of the clause is given in **Appendix - K**

#### **6.27 Option Clause and Repeat Order Clause**

Provision for repeat order and option clause should not be made as a matter of course in the RFPs as these clauses have an impact on price. Either or both these clauses may be provided in the RFP only in exceptional circumstances, where the consumption pattern is not predictable, with the stipulation that while exercising one or both these clauses the overall ceiling of fifty percent of the originally contracted quantity will not be exceeded. Repeat Order and/or Option Clause may be exercised more than once, provided altogether these orders do not exceed 50% of the original order quantity. All such exercise/s would require a prior sanction of the CFA with DDG (F)'s

concurrency.

## **6.28 Risk and Expense Purchase**

Risk and expense purchase clause, though not mandatory, may be included in the RFP and the contract, if considered necessary. Risk and Expense purchase is undertaken by the purchaser in the event of the supplier failing to honor the contracted obligations within the stipulated period and where extension of delivery period is not approved. While initiating risk purchase at the cost and expense of the supplier, the purchaser must satisfy himself that the supplier has failed to deliver and has been given adequate and proper notice to discharge his obligations. Whenever risk purchase is resorted to, the supplier is liable to pay the additional amount spent by the Authority, if any, in procuring the said contracted goods/ services through a fresh contract, i.e. the defaulting supplier has to bear the excess cost incurred as compared with the amount contracted with him. Factors like method of recovering such amount should also be considered while taking a decision to invoke the provision for risk purchase. All such exercise/s would require a prior sanction of the CFA with DDG (F)'s concurrence. A Standard Risk & Expense Purchase clause is given in **Appendix - L**.

## **CHAPTER 7: RATE CONTRACT**

### **7.1 Objective**

The basic objective of a procurement agency is to provide the right items of right quality and in right quantity, at the right place and right price so as to meet the requirement of the users. One of the ways to ensure this is to conclude Rate Contracts for all common user items which are regularly required in bulk by the users and whose prices are likely to be stable and not subject to considerable market fluctuations. A Rate Contract (RC) enables procuring officers to procure indented items promptly and with economy of scale and also cuts down the order processing and inventory carrying cost. The RC system takes care of supply chain management and enables an efficient transaction both for the purchaser and the supplier.

### **7.2 Definition**

A Rate Contract is an agreement between the purchaser and the supplier for supply of specified goods (and allied services if any) at specified price and terms & conditions (as incorporated in the agreement) during the period covered by the Rate Contract. No quantity is mentioned nor is any minimum drawl guaranteed in the Rate Contract. The Rate Contract is in the nature of a standing offer from the supplier firm. The firm and/or the purchaser is/are entitled to withdraw / cancel the RC by serving an appropriate notice on each other, of not less than thirty days. However, once a supply order is placed on the supplier for supply of a definite quantity in terms of the rate contract during the validity period of the rate contract that supply order becomes a valid and binding contract and the supplier is bound to supply the ordered quantity.

### **7.3 Special Conditions Applicable for Rate Contract**

Some special conditions of rate contract which differ from the usual conditions applicable for other contracts are as follows:

- a. Earnest Money Deposit (EMD) is not applicable.
- b. In the Schedule of Requirement, no quantity is mentioned; only the anticipated expenditure may be mentioned without any commitment.
- c. The purchaser reserves the right to conclude more than one rate contract for the same item.
- d. The purchaser as well as the supplier may withdraw the rate contract by serving suitable notice to each other. The prescribed notice period is generally thirty days.
- e. The purchaser has the option to renegotiate the price with the rate contract holders.
- f. In case of emergency, the purchaser may purchase the same item through ad hoc contract with a new supplier.
- g. Usually, the terms of delivery in rate contracts are FOR dispatching station. This is so, because the rate contracts are to take care of the users spread all over

the country. However, wherever it is decided to enter into RCs which are FOR destination, the cost of transportation should be separately asked for.

h. Supply orders, incorporating definite quantity of goods to be supplied along with all other required conditions following the rate contract terms, are to be issued for obtaining supplies through the rate contract.

i. The purchaser and the authorized users of the rate contract are entitled to place supply orders up to the last day of the validity of the rate contract and, though supplies against such supply orders will be effected beyond the validity period of the rate contract, all such supplies will be guided by the terms and conditions of the rate contract.

j. The rate contract will be guided by “Fall Clause”.

#### **7.4 Fall Clause**

Fall clause is a price safety mechanism in rate contracts. The fall clause provides that if the rate contract holder reduces its price or sells or even offers to sell the rate contracted goods following conditions of sale similar to those of the rate contract, at a price lower than the rate contract price, to any person or organization during the currency of the rate contract, the rate contract price will be automatically reduced with effect from that date for all the subsequent supplies under the rate contract and the rate contract amended accordingly. Other parallel rate contract holders, if any, are also to be given opportunity to reduce their price as well, by notifying the reduced price to them and giving them 15 (fifteen) days’ time to intimate their revised prices, if they so desire, in sealed cover to be opened in public on the specified date and time and further action taken as per standard practice. On many occasions, the parallel rate contract holders attempt to grab more orders by unethical means by announcing reduction of their price (after getting the rate contract) under the guise of Fall Clause. This situation is also to be dealt with in similar manner as mentioned earlier in this paragraph. It is, however, very necessary that the purchase organizations keep special watch on the performance of such rate contract holders who reduce their prices on one pretext or other. If their performances are not up to the mark, appropriately severe action should be taken against them including deregistering them, suspending business deals with them, terminating the contract, etc.

## CHAPTER 8: BANKING INSTRUMENTS

<b>PARAMETER</b>	<b>EMD</b>	<b>Performance Security</b>	<b>Advance Payment Security</b>
<b>DEFINITION</b>	Earnest Money Deposit (EMD) is also known as Bid Security. EMD/Bid Security is collected to safeguard against a bidder withdrawing / altering its bid during the bid validity period in the case of an advertised or limited tender enquiry.	Performance Security is a written undertaking obtained from the Supplier through his bank as a guarantee that he would perform the promise/terms and conditions of the contract and to ensure the discharge of liability of the Supplier in case of his default.	Advance Payment Security is for use where an advance payment is made to a vendor and a Bank Guarantee (BG) is obtained as security against that payment. If the contract is not completed, buyer can claim refund of the advance payment secured under the said BG.
<b>COLLECTION</b>	EMD is to be obtained from the bidders except MSEs as defined in MSE Procurement Policy or are registered with the CPO or the concerned Ministry or Department or Startups as recognized by DIPP. Bid Securing Declaration may be accepted in place of EMD/Bid Security.	Performance Security is to be obtained from every successful bidder irrespective of its registration status etc.	Advance Payment Security is to be obtained from every vendor to whom advance has been given either as per the terms and conditions of the respective contract or with prior sanction of the competent authority.
<b>AMOUNT</b>	Ordinarily between 2% - 5% of the estimated value of the goods to be procured.	Ranging between 5% - 10% of the value of the contract. Where the contract value is not pre-determined, expenditure likely to be incurred under the contract shall be estimated and taken as the contract value for this purpose.	Advance Payment Security should be for an amount as specified in the respective contract or as decided by the competent authority.
<b>FORM</b>	In the form of an Account Payee Demand Draft, Fixed Deposit Receipt,	In the form of an Account Payee Demand Draft, Fixed Deposit Receipt from a Commercial bank,	In the form of an Account Payee Demand Draft, Fixed Deposit Receipt from a

	Banker's Cheque or Bank Guarantee from any Commercial Bank, or payment online in an acceptable form.	Bank Guarantee from a commercial bank or online payment in an acceptable form.	Commercial bank, Bank Guarantee from a commercial bank or online payment in an acceptable form.
<b>MODEL FORMAT</b>	<b>Appendix - M</b>	<b>Appendix - N</b>	<b>Appendix – O</b>
<b>VALIDITY</b>	Should remain valid for a period of 45 days beyond the final bid validity period.	Performance Security is to be furnished by a specified date (generally within 21 days of issue of NOA) and it should remain valid for a period of 60 days beyond the date of completion of all contractual obligations of the supplier, including warranty obligations.	Advance Payment Security is to be furnished before release of advance payment and it should remain valid as per terms and conditions given in the respective contract of each vendor.
<b>FORFEITURE</b>	EMD of a bidder will be forfeited if the bidder withdraws or amends its bid or impairs or derogates from the bid in any respect within the period of validity of its bid. Further, if the successful bidder fails to furnish the required performance security within the specified period, its EMD shall be forfeited.	Performance Security is to be forfeited and credited to the account of buyer / Central Government in the event of a breach of contract by the supplier, as defined under the terms of the relevant contract(s)	Advance Payment Security is to be forfeited and credited to the account of buyer / Central Government in the event of a breach of contract by the supplier, as defined under the terms of the relevant contract(s).
<b>REFUND</b>	EMD furnished by all unsuccessful bidders should be returned to them without any interest whatsoever, at the earliest after expiry of the final bid validity and latest on or before 30 days after award of the contract. EMD of the	Performance Security should be refunded to the supplier without any interest, whatsoever, after it duly performs and completes the contract in all respects but not later than 60 days of completion of all such obligations under the contract.	Advance Payment Security should be refunded to the supplier without any interest, whatsoever, after it duly performs and completes the activity as per contract for which advance has been issued in all respects but not later than 60 days of

	successful bidder should be returned, without any interest whatsoever, after receipt of performance security as per the terms and conditions of the Contract.		completion of all such obligations under the contract.
<b>CONFIRMATION</b>	BG(s) submitted by the bidders/suppliers need to be immediately confirmed with the issuing Bank before acceptance. A model format of BG Confirmation Letter to be obtained from issuing Bank is given at <b>Appendix - P</b> .		
<b>RENEWAL EXTENSION</b>	BG(s) submitted by the bidders/vendors and not intended for release, shall be extended before their expiry. The letter should normally be sent to the vendor's issuing bank around 60 days before expiry of BG(s). Model formats of the Extension Letter and Extension of Bank Guarantee are given at <b>Appendices Q1 &amp; Q2</b> respectively.		
<b>INVOCATION, IF BG IS NOT EXTENDED</b>	DDO shall ensure that BG(s) not extended are invoked / en-cashed within the stipulated time and proceeds are credited to the account of Central Government.		
<b>INVOCATION FOR REASONS OTHER THAN EXTENSION</b>	FWs shall ensure that in case of invocation / encashment of BG(s) for reasons other than extension, prior approval of competent authority has been taken. A model format for lodging a claim on a BG to its issuing Bank is given at <b>Appendix - R</b> .		
<b>MAINTENANCE OF BG REGISTER</b>	DDO shall maintain a BG Register as per the format defined. The entries in the BG register must be duly initialed by an authorised officer at the places defined therein. A model format of BG Register to be prepared is given at <b>Appendix - S</b> .		
<b>REVIEW PROCEDURE</b>	<p><b>a.</b> DDO shall undertake a monthly review of all BG(s) and other related instruments expiring within next 3 months and shall forward an extract from the BG Register to the FW &amp; FD by the 7<sup>th</sup> of every month, detailing therein the BGs to expire in the next 3 months along with the list of BG(s) already expired and pending for renewal / extension / invocation.</p> <p><b>b.</b> in respect of each entry mentioned on the extract, the FWs shall indicate the actions taken or proposed to be taken by mapping the progress of the corresponding contracts and inform FD &amp; DDO accordingly.</p>		
<b>CUSTODIAN</b>	DDO, UIDAI shall be the nodal custodian of all BGs. FWs shall forward the original BGs and their extension(s), if any, to the DDO, UIDAI, including those already held by them, within 30 days from the date of receipt of BG.		



## Appendices

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**Unique Identification Authority of India**  
Ministry of Electronics & Information Technology (MeitY)  
Government of India

[11/2021]



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<b>APPENDIX - A: DEFINITIONS</b>	
<b>Word/ Abbreviation</b>	<b>Definition</b>
AMC / CMC	Annual / Comprehensive Maintenance Contract
AON	Acceptance of Necessity
ATE	Advertised Tender Enquiry
Authority UIDAI	Unique Identification Authority of India
BG(s)	Bank Guarantee(s)
BRO	Border Roads Organisation
CEO	Chief Executive Officer
CNC	Commercial Negotiation Committee
CFA	Competent Financial Authority is an authority duly empowered by the GoI to sanction and approve expenditure from public accounts up to a specified limit in terms of amount of such expenditure and subject to availability of funds. All financial powers are to be exercised by the appropriate CFA. Where financial powers have been delegated to more than one authority under the same Serial/Head, authority with higher delegated financial powers will constitute the 'next higher CFA'.
Contract	A proposal or offer when accepted is a promise, a promise and every set of promises forming the consideration for each other is an agreement and an agreement, if made with free consent of parties competent to contract, for a lawful consideration and with a lawful object, is a contract.
COTS	Commercially Off-The-Shelf
CPPP	Central Public Procurement Portal
CPWD	Central Public Works Department
CST	Comparative Statement of Tenders
CVC	Central Vigilance Commission
CRV	Consignment Receipt Vouchers ( may also be termed as GRNs / MRNs i.e. Goods / Material Receipt Notes) – Document/s evidencing receipt of goods
DDG	Deputy Director General (UIDAI)
DDG(F)	Deputy Director General (Finance). Where the context so warrants, other terms, such as the 'Financial Advisor', 'FA', have also been used in this Manual.
DoFP	Delegation of Financial Powers (also see Financial Powers)
DP	Delivery Period
DDO	Drawing & Disbursement Officer
Delegation of Financial Powers	Financial power is the power to approve expenditure to be incurred for bonafide purposes in accordance with the laid down procedure and subject to availability of funds. The powers delegated by the Authority to various authorities in the Headquarters and other regional offices/ units /establishments under them, are specific and cannot be further

	sub-delegated to any subordinate authority by the delegatee. However, on the strict understanding that the sole responsibility rests on them, the authorities to which financial powers have been delegated may authorize staff officer(s) to sign communications and financial documents on their behalf.
EAS / Sanction	Expenditure Angle Sanction. Where the context so warrants, other terms, such as the ‘sanction’ ‘sanction of CFA’ have also been used in this Manual.
EMD	Earnest Money Deposit
EOI	Expression of Interest
FA	Financial Advisor
FD	Finance Division. Where the context so warrants, other terms, such as the ‘IFD’ have also been used in this Manual
FW	Functional Wings
GeM	Government e-Marketplace
GFR	General Financial Rules, 2017
GoI	Government of India
HQ	UIDAI Headquarters
LD	Liquidated Damages
LPC	Local Purchase Committee
LPP	Last Purchase Price
LTE	Limited Tender Enquiry
MeitY	Ministry of Electronics and Information Technology
MES	Military Engineering Service
MoF	Ministry of Finance
MoU	Memorandum of Understanding
MoUD	Ministry of Urban Development
MSEs	Micro, Small and Medium Enterprises
NIT	Notice Inviting Tender
NOA	Notification of Award
OEM	Original Equipment Manufacturer
OTE	Open Tender Enquiry
PAC	Proprietary Article Certificate
PAO	Pay & Accounts Officer, UIDAI
PBG	Performance Bank Guarantee
POV / PEV	Professional Officers / Experts Valuation
PM 2021	Procurement Manual 2021
Procurement	Procurement refers to the entire gamut of activities involved in and the procedures to be adopted for acquiring goods and services as defined in section titled “Scope” of the Manual.

PSU/CPSU	Public Sector Undertaking/ Central Public Sector Undertaking
Purchaser	Unique Identification Authority of India through Chief Executive Officer issuing the purchase / supply orders or signing the Contracts / Memo of Understanding / Agreements, is the Purchaser in all cases of procurement. Where the context so warrants, other terms, such as the 'buyer', have also been used in this Manual.
PWO	Public Works Organization
QRs	Qualitative Requirements
RC	Rate Contract
RFP	Request for Proposal
RO(s)	Regional Office (s) of UIDAI
SoC	Statement of Case
SC/ST	Scheduled Caste/ Scheduled Tribe
SOP	Standard Operating Procedure
STE	Single Tender Enquiry
Supplier	Supplier is the entity, which enters into a contract to supply goods and services. The term includes employees, agents, assigns, successors, authorized dealers, stockists and distributors of such an entity. Where the context so warrants, other terms, such as 'vendor' or 'seller', have also been used synonymously in this Manual.
TE	Tender Enquiry
TEC	Technical Evaluation Committee
TPC	Tender Purchase Committee
Terms and expressions not defined in the Manual	The terms and expressions not defined herein shall have the meaning assigned to them, if any, in the Indian Sale of Goods Act 1930, the Indian Contract act 1872, the General Clauses Act 1897, or other Indian Statuettes and Government Instructions, as amended from time to time.
UIDAI	Unique Identification Authority of India

## **APPENDIX - B: General Financial Rules, 2017**

*(Only the General Financial Rules referred to in this Procurement Manual are reproduced here)*

### **Rule 21 Standards of Financial Propriety**

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

- (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-
  - (a) a claim for the amount could be enforced in a Court of Law, or
  - (b) the expenditure is in pursuance of a recognized policy or custom.

### **Rule 98 Capital Expenditure**

Significant expenditure incurred with the object of acquiring tangible assets of a permanent nature (for use in the organisation and not for sale in the ordinary course of business) or enhancing the utility of existing assets, shall broadly be defined as Capital expenditure. Subsequent, charges on maintenance, repair, upkeep and working expenses, which are required to maintain the assets in a running order as also all other expenses incurred for the day to day running of the organisation, including establishment and administrative expenses, shall be classified as Revenue expenditure. Capital and Revenue expenditure shall be shown separately in the Accounts.

Expenditure on a temporary asset or on grants-in-aid cannot ordinarily be considered as a capital expenditure and shall not, except in cases specifically authorised by the President on the advice of the Comptroller and Auditor General of India, be debited to a Capital Head.

Capital expenditure is generally met from receipts of capital nature, as distinguished from ordinary revenues derived from taxes, duties, fees, fines and similar items of current income including extraordinary receipts. It is open to the Government to meet capital expenditure from ordinary revenues, provided there are sufficient revenue resources to cover this liability.

Expenditure of a Capital nature as defined above, shall not be classed as Capital

expenditure in the Government Accounts unless the classification has been expressly authorised by general or special orders of Government.

Expenditure of a Capital nature shall be distinguished from the Revenue Expenditure both in the Budget Estimates and in Government Accounts.

**Rule 99 Principles for allocation of expenditure between Capital and Revenue**

The following are the main principles governing the allocation of expenditure between Revenue and Capital:

(a) Capital shall bear all charges for the first construction and equipment of a project as well as charges for intermediate maintenance of the work while not yet opened for service. It shall also bear charges for such further additions and improvements, which enhance the useful life of the asset, as may be sanctioned under rules made by competent authority.

(b) Subject to Clause (c) below, revenue shall bear subsequent charges for maintenance and all working expenses. These embrace all expenditure on the working and upkeep of the project and also on renewals and replacements and additions, improvements or extensions that are revenue in nature as per rules made by Government.

(c) In the case of works of renewal and replacement, which partake expenditure both of a capital and revenue nature, the allocation of expenditure shall be regulated by the broad principle that Revenue should pay or provide a fund for the adequate replacement of all wastage or depreciation of property originally provided out of capital grants. Only the cost of genuine improvements, which enhance the useful life of the asset whether determined by prescribed rules or formulae, or under special orders of Government, may be debited to Capital. Where under special orders of Government, a Depreciation or Renewals Reserve Fund is established for renewing assets of any commercial department or undertaking, the distribution of expenditure on renewals and replacements between Capital and the Fund shall be so regulated as to guard against overcapitalisation on the one hand and excessive withdrawals from the Fund on the other.

(d) Expenditure on account of reparation of damage caused by extraordinary calamities such as flood, fire, earthquake, enemy action, etc., shall be charged to Capital, or to Revenue, or divided between them, depending upon whether such expenditure results in creation/acquisition of new assets or whether it is only for restoring the condition of the existing assets, as may be determined by Government according to the circumstance of each case.

(e) Expenditure on a temporary asset cannot ordinarily be considered as a capital expenditure and shall not, except in cases specifically authorized by the President on the advice of the Comptroller and Auditor General of India, be debited to a Capital Head.

**Rule 142.** This chapter (Chapter 6-GFR) contains the general rules applicable to all Ministries of Departments, regarding procurement of goods required for use in the

public service. Detailed instructions relating to procurement of goods may be issued by the procuring departments broadly in conformity with the general rules contained in this Chapter.

**Rule 144 Fundamental principles of public buying (for all procurements including procurement of works)**

Every authority delegated with the financial powers of procuring goods in public interest shall have the responsibility and accountability to bring efficiency, economy, and transparency in matters relating to public procurement and for fair and equitable treatment of suppliers and promotion of competition in public procurement.

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

(i) The description of the subject matter of procurement to the extent practicable should-

a) be objective, functional, generic and measurable and specify technical, qualitative and performance characteristics.

b) not indicate a requirement for a particular trade mark, trade name or brand.

(ii) the specifications in terms of quality, type etc., as also quantity of goods to be procured, should be clearly spelt out keeping in view the specific needs of the procuring organisations. The specifications so worked out should meet the basic needs of the organisation without including superfluous and non-essential features, which may result in unwarranted expenditure.

(iii) Where applicable, the technical specifications shall, to the extent practicable, be based on the national technical regulations or recognized national standards or building codes, wherever such standards exist, and in their absence, be based on the relevant international standards. In case of Government of India funded projects abroad, the technical specifications may be framed based on requirements and standards of the host beneficiary Government, where such standards exist.

Provided that a procuring entity may, for reasons to be recorded in writing, adopt any other technical specification.

(iv) Care should also be taken to avoid purchasing quantities in excess of requirement to avoid inventory carrying costs.

(v) Offers should be invited following a fair, transparent and reasonable procedure.

(vi) The procuring authority should be satisfied that the selected offer adequately meets the requirement in all respects.

(vii) The procuring authority should satisfy itself that the price of the selected offer is reasonable and consistent with the quality required.

(viii) At each stage of procurement the concerned procuring authority must place on record, in precise terms, the considerations which weighed with it while taking the procurement decision.

(ix) A complete schedule of procurement cycle from date of issuing the tender to date of issuing the contract should be published when the tender is issued.

(x) All Ministries/Departments shall prepare Annual Procurement Plan before the commencement of the year and the same should also be placed on their website.

(xi) Notwithstanding anything contained in these Rules, Department of Expenditure may, by order in writing, impose restrictions, including prior registration and / or screening, on procurement from bidders from a country or countries, or a class of countries, on grounds of defence of India, or matters directly or indirectly related thereto including national security; no procurement shall be made in violation of such restrictions.

#### **Rule 147 Powers for Procurement of Goods**

The Ministries or Departments have been delegated full powers to make their own arrangements for procurement of goods and services that are not available on GeM. Common use goods and Services available on GeM are required to be procured mandatorily through GeM as per Rule 149.

#### **Rule 149 Government e-Market place (GeM)**

Government of India has established the Government e- Marketplace (GeM) for common use Goods and Services. GeM SPV will ensure adequate publicity including periodic advertisement of the item to be procured through GeM for the prospective suppliers. The Procurement of Goods and Services by Ministries or Departments will be mandatory for Goods or Services available on GeM. The credentials of suppliers on GeM shall be certified by GeM SPV. The procuring authorities will certify the reasonability of rates. The GeM Portal shall be utilized by the Government buyers for direct on-line purchases as under:

- i. Up to ₹ 25,000 through any of the available suppliers on the GeM, meeting the requisite quality, specification and delivery period.
- ii. Above ₹ 25,000 and up to ₹ 5,00,000 through the GeM Seller having lowest price amongst the available sellers (excluding Automobiles where current limit of 30 Lakh will continue), of at least three different manufactures, on GeM, meeting the requisite quality, specification and delivery period. The tools for online bidding and online reverse auction available on GeM can be used by the Buyers even for procurements less than ₹ 5,00,000.
- iii. Above ₹ 5,00,000 through the supplier having lowest price meeting the requisite quality, specification and delivery period after mandatorily obtaining bids, using online bidding or reverse auction tool provided on GeM (excluding Automobiles where current limit of 30 Lakh will continue).
- iv. The invitation for the online e-bidding/reverse auction will be available to all the existing Sellers or other Sellers registered on the portal and who have offered



their goods/services under the particular product/service category, as per terms and conditions of GeM.

- v. The above mentioned monetary ceiling is applicable only for purchases made through GeM. For purchases, if any, outside GeM, relevant GFR Rules shall apply.
- vi. The Ministries/Departments shall work out their procurement requirements of Goods and Services on either “OPEX” model or “CAPEX” model as per their requirement/ suitability at the time of preparation of Budget Estimates (BE) and shall project their Annual Procurement Plan of goods and services on GeM portal within 30 days of Budget approval.
- vii. The Government Buyers may ascertain the reasonableness of prices before placement of order using the Business Analytics (BA) tools available on GeM including the Last Purchase Price on GeM, Department’s own Last Purchase Price etc.
- viii. A demand for goods shall not be divided into small quantities to make piecemeal purchases to avoid procurement through L-1 Buying / bidding / reverse auction on GeM or the necessity of obtaining the sanction of higher authorities required with reference to the estimated value of the total demand.

#### **Rule 150      Registration of Suppliers**

(i) For goods and services not available on GeM, Head of Ministry/ Department may also register suppliers of goods and services which are specifically required by that Department or Office, periodically. Registration of the supplier should be done following a fair, transparent and reasonable procedure and after giving due publicity. Such registered suppliers should be boarded on GeM as and when the item or service gets listed on GeM.

(ii) Credentials, manufacturing capability, quality control systems, past performance, after-sales service, financial background etc. of the supplier(s) should be carefully verified before registration.

(iii) The supplier(s) will be registered for a fixed period (between 1 to 3 years) depending on the nature of the goods. At the end of this period, the registered supplier(s) willing to continue with registration are to apply afresh for renewal of registration. New supplier(s) may also be considered for registration at any time, provided they fulfil all the required conditions.

(iv) Performance and conduct of every registered supplier is to be watched by the concerned Ministry or Department. The registered supplier(s) are liable to be removed from the list of approved suppliers if they fail to abide by the terms and conditions of the registration or fail to supply the goods on time or supply substandard goods or make any false declaration to any Government agency or for any ground which, in the opinion of the Government, is not in public interest.

(v) The list of registered suppliers for the subject matter of procurement be exhibited on the websites of the Procuring Entity/ e-Procurement/ portals.

#### **Rule 154 Purchase of goods without quotation**

Purchase of goods upto the value of ₹ 25,000 (Rupees twenty five thousand) only on each occasion may be made without inviting quotations or bids on the basis of a certificate to be recorded by the Competent Authority in the following format.

“I, -----, am personally satisfied that these goods purchased are of the requisite quality and specification and have been purchased from a reliable supplier at a reasonable price.”

#### **Rule 155 Purchase of goods by Purchase Committee**

In case a certain item is not available on the GeM portal, purchase of goods costing above ₹ 25,000 (Rupees twenty five thousand only) and upto ₹ 2,50,000 (Rupees two lakh and fifty thousand only) on each occasion may be made on the recommendations of a duly constituted Local Purchase Committee consisting of three members of an appropriate level as decided by the Head of the Department. The committee will survey the market to ascertain the reasonableness of rate, quality and specifications and identify the appropriate supplier. Before recommending placement of the purchase order, the members of the committee will jointly record a certificate as under:

“Certified that we, members of the purchase committee are jointly and individually satisfied that the goods recommended for purchase are of the requisite specification and quality, priced at the prevailing market rate and the supplier recommended is reliable and competent to supply the goods in question, and it is not debarred by Department of Commerce or Ministry/ Department concerned.”

#### **Rule 159 E- Publishing**

(i) 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).

(ii) 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 the Secretary of the Ministry/Department with the concurrence of the concerned Financial Advisor. In the case of Autonomous Bodies and Statutory Bodies' approval of the Head of the Body with the concurrence of the head of the finance should be obtained in each such case. Statistical information on the number of cases in which exemption was granted and the value of the concerned contract should be intimated on a Quarterly basis to the Ministry of Finance, Department of Expenditure.

(iii) The above instructions apply to all Tender Enquiries, Requests for Proposals, Requests for Expressions of Interest, Notice for pre Qualification/Registration or any

other notice inviting bids or proposals in any form whether they are advertised, issued to limited number of parties or to a single party.

*(iv) Deleted vide G.I., M.F., O.M. No. F. 1/26/2018-PPD, dated the 2nd April, 2019.*

(v) These instructions would not apply to procurements made in terms of provisions of Rules 154 (Purchase of goods without quotations) or 155 (Purchase of goods by purchase committee) of General Financial Rules.

### **Rule 160 E- Procurement**

(i) It is mandatory for Ministries/Departments to receive all bids through e-procurement portals in respect of all procurements.

(ii) Ministries/ Departments which do not have a large volume of procurement or carry out procurements required only for day-to-day running of offices and also have not initiated e-procurement through any other solution provided so far, may use e-procurement solution developed by NIC. Other Ministries/ Departments may either use e-procurement solution developed by NIC or engage any other service provider following due process.

*(iii) Deleted vide G.I., M.F., O.M. No. F. 1/26/2018-PPD, dated the 2nd April, 2019.*

(iv) In individual case where national security and strategic consideration demands confidentiality, Ministries / Departments may exempt such cases from e-procurement after seeking approval of concerned Secretary and with concurrence of Financial Advisers.

(v) In case of tenders floated by Indian Missions Abroad, Competent Authority to decide the tender, may exempt such case from e-procurement.

### **Rule 161 Advertised Tender Enquiry**

(i) Subject to exceptions incorporated under Rules 154, 155, 162 and 166, invitation to tenders by advertisement should be used for procurement of goods of estimated value of ₹ 25 lakhs (Rupees Twenty Five Lakh) and above. Advertisement in such cases should be given on Central Public Procurement Portal (CPPP) at [www.eprocure.gov.in](http://www.eprocure.gov.in) and on GeM. An organisation having its own website should also publish all its advertised tender enquiries on the website.

(ii) The organisation should also post the complete bidding document in its website and on CPPP to enable prospective bidders to make use of the document by downloading from the website.

(iii) The advertisements for invitation of tenders should give the complete web address from where the bidding documents can be downloaded.

(iv) 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.

(v) Where the Ministry or Department feels that the goods of the required quality, specifications etc., may not be available in the country and it is necessary to also look for suitable competitive offers from abroad, the Ministry or Department may send copies of the tender notice to the Indian Embassies abroad as well as to the foreign Embassies in India. The selection of the embassies will depend on the possibility of availability of the required goods in such countries. In such cases e-procurement as per Rule 160 may not be insisted.

(vi) Ordinarily, the minimum time to be allowed for submission of bids should be three weeks from the date of publication of the tender notice or availability of the bidding document for sale, whichever is later. Where the Department also contemplates obtaining bids from abroad, the minimum period should be kept as four weeks for both domestic and foreign bidders.

## **Rule 162      Limited Tender Enquiry**

(i) This method may be adopted when estimated value of the goods to be procured is up to Rupees Twenty five Lakhs. Copies of the bidding document should be sent directly by speed post/registered post/courier/ email to firms which are borne on the list of registered suppliers for the goods in question as referred under Rule 150 above. The number of supplier firms in Limited Tender Enquiry should be more than three. Efforts should be made to identify a higher number of approved suppliers to obtain more responsive bids on competitive basis.

Further, an organisation should publish its limited tender enquiries on Central Public Procurement Portal (CPPP) as per Rule 159. Apart from CPPP, the organisations should publish the tender enquiries on the Department's or Ministry's web site.

(ii) The unsolicited bids should not be accepted. However Ministries/ Departments should evolve a system by which interested firms can register and bid in next round of tendering.

(iii) Purchase through Limited Tender Enquiry may be adopted even where the estimated value of the procurement is more than Rupees twenty-five Lakhs, in the following circumstances.

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

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

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

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

**Rule 163 Two Bid System (Simultaneous Receipt of Separate Technical and Financial Bids)**

For purchasing high value plant, machinery etc. of a complex and technical nature, bids may be obtained in two parts as under:

(i) Technical bid consisting of all technical details along with commercial terms and conditions; and

(ii) Financial bid indicating item-wise price for the items mentioned in the technical bid.

The technical bid and the financial bid should be sealed by the bidder in separate covers duly super-scribed and both these sealed covers are to be put in a bigger cover which should also be sealed and duly super-scribed. The technical bids are to be opened by the purchasing Ministry or Department at the first instance and evaluated by a competent committee or authority. At the second stage financial bids of only these technically acceptable offers should be opened after intimating them the date and time of opening the financial bid for further evaluation and ranking before awarding the contract.

**Rule 164 Two-Stage Bidding (Obtain bids in two stages with receipt of financial bids after receipt and evaluation of technical bids)**

(i) Ministry/Department may procure the subject matter of procurement by the method of two-stage bidding, if

(a) it is not feasible to formulate detailed specifications or identify specific characteristics for the subject matter of procurement, without receiving inputs regarding its technical aspects from bidders; or

(b) the character of the subject matter of procurement is subject to rapid technological advances or market fluctuations or both; or

(c) Ministry/Department seeks to enter into a contract for the purpose of research, experiment, study or development, except where the contract includes the production of items in quantities sufficient to establish their commercial viability or to recover research and development costs; or

(d) 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:—

(a) in the first stage of the bidding process, the Ministry/Department shall invite bids through advertised tender containing the technical aspects and contractual terms and conditions of the proposed procurement without a bid price;

(b) all first stage bids, which are otherwise eligible, shall be evaluated through an appropriate committee constituted by the Ministry/ Department;

(c) the committee may hold discussions with the bidders and if any such discussion is held, equal opportunity shall be given to all bidders to participate in the discussions;

(d) in revising the relevant terms and conditions of the procurement, the procuring entity shall not modify the fundamental nature of the procurement itself, but may add, amend or omit any specification of the subject matter of procurement or criterion for evaluation;

(e) 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;

(f) any bidder, invited to bid but not in a position to supply the subject matter of procurement due to modification in the specifications or terms and conditions, may withdraw from the bidding proceedings without forfeiting any bid security that he may have been required to provide or being penalised in any way, by declaring his intention to withdraw from the procurement proceedings with adequate justification.

#### **Rule 166      Single Tender Enquiry**

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

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

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

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

Note: Proprietary Article Certificate in the following form is to be provided by the Ministry/Department before procuring the goods from a single source under the provision of sub Rule 166 (i) and 166 (iii) as applicable.

‘(i) The indented goods are manufactured by M/s.....

(ii) No other make or model is acceptable for the following reasons:

.....  
(iii) Concurrence of finance wing to the proposal vide: .....

(iv) Approval of the competent authority vide: .....

(Signature with date and designation  
of the indenting officer)?

**Rule 167      Electronic Reverse Auction**

(i) Electronic Reverse Auction means an online real-time purchasing technique utilised by the procuring entity to select the successful bid, which involves presentation by bidders of successively more favourable bids during a scheduled period of time and automatic evaluation of bids;

(ii) A procuring entity may choose to procure a subject matter of procurement by the electronic reverse auction method, if:

(a) It is feasible for the procuring entity to formulate a detailed description of the subject matter of the procurement;

(b) There is a competitive market of bidders anticipated to be qualified to participate in the electronic reverse auction, so that effective competition is ensured;

(c) The criteria to be used by the procuring entity in determining the successful bid are quantifiable and can be expressed in monetary terms; and

(iii) The procedure for electronic reverse auction shall include the following, namely:

(a) The procuring entity shall solicit bids through an invitation to the electronic reverse auction to be published or communicated in accordance with the provisions similar to e-procurement; and

(b) The invitation shall, in addition to the information as specified in e-procurement, include details relating to access to and registration for the auction, opening and closing of the auction and Norms for conduct of the auction.

**Rule 168      Contents of Bidding Document**

All the terms, conditions, stipulations and information to be incorporated in the bidding document are to be shown in the appropriate chapters as below:-

Chapter-1:      Instructions to Bidders.

Chapter-2:      Conditions of Contract.

Chapter-3:      Schedule of Requirements.

Chapter-4: Specifications and allied Technical Details,

Chapter-5: Price Schedule (to be utilized by the bidders for quoting their prices).

Chapter-6: Contract Form.

Chapter-7: Other Standard Forms, if any, to be utilized by the purchaser and the bidders.

#### **Rule 170 Bid Security**

(i) To safeguard against a bidder's withdrawing or altering its bid during the bid validity period in the case of advertised or limited tender enquiry, Bid Security (also known as Earnest Money) is to be obtained from the bidders except Micro and Small Enterprises (MSEs) as defined in MSE Procurement Policy issued by Department of Micro, Small and Medium Enterprises (MSME) or are registered with the Central Purchase Organization or the concerned Ministry or Department **or Startups as recognized by Department of Industrial Policy and Promotion (DIPP)**. The bidders should be asked to furnish bid security along with their bids. Amount of bid security should ordinarily range between two percent to five percent of the estimated value of the goods to be procured. The amount of bid security should be determined accordingly by the Ministry or Department and indicated in the bidding documents. The bid security may be accepted in the form of Account Payee Demand Draft, Fixed Deposit Receipt, Banker's Cheque or Bank Guarantee from any of the Commercial Banks or payment online in an acceptable form, safeguarding the purchaser's interest in all respects. The bid security is normally to remain valid for a period of forty-five days beyond the final bid validity period.

(ii) Bid securities of the unsuccessful bidders should be returned to them at the earliest after expiry of the final bid validity and latest on or before the 30<sup>th</sup> day after the award of the contract.

(iii) In place of a Bid security, the Ministries/ Departments may require Bidders to sign a Bid securing declaration accepting that if they withdraw or modify their Bids during the period of validity, or if they are awarded the contract and they fail to sign the contract, or to submit a performance security before the deadline defined in the request for bids document, they will be suspended for the period of time specified in the request for bids document from being eligible to submit Bids for contracts with the entity that invited the Bids.

#### **Rule 171 Performance Security**

(i) To ensure due performance of the contract, Performance Security is to be obtained from the successful bidder awarded the contract. Unlike contracts of Works and Plants, in case of contracts for goods, the need for the Performance Security depends on the market conditions and commercial practice for the particular kind of goods. Performance Security should be for an amount of five to ten per cent of the value of the contract as specified in the bid documents. Performance Security may be furnished in the form of an Account Payee Demand Draft, Fixed Deposit Receipt from a



Commercial bank, Bank Guarantee from a Commercial bank or online payment in an acceptable form safeguarding the purchaser's interest in all respects.

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

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

#### **Rule 172 (1) Advance payment to supplier**

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

(i) Advance payment demanded by firms holding maintenance contracts for servicing of Air- conditioners, computers, other costly equipment, etc.

(ii) Advance payment demanded by firms against fabrication contracts, turn-key contracts etc.

Such advance payments should not exceed the following limits:

(a) Thirty per cent of the contract value to private firms;

(b) Forty per cent of the contract value to a State or Central Government agency or a Public Sector Undertaking; or

(c) in case of maintenance contract, the amount should not exceed the amount payable for six months under the contract.

Ministries or Departments of the Central Government may relax, in consultation with their Financial Advisers concerned, the ceilings (including percentage laid down for advance payment for private firms) mentioned above. While making any advance payment as above, adequate safeguards in the form of bank guarantee etc. should be obtained from the firm.

#### **Rule 172 (2) Part payment to suppliers**

Depending on the terms of delivery incorporated in a contract, part payment to the supplier may be released after it dispatches the goods from its premises in terms of the contract.

#### **Rule 173 Transparency, competition, fairness and elimination of arbitrariness in the procurement process**

All government purchases should be made in a transparent, competitive and fair manner, to secure best value for money. This will also enable the prospective

bidders to formulate and send their competitive bids with confidence. Some of the measures for ensuring the above are as follows:-

(i) the text of the bidding document should be self-contained and comprehensive without any ambiguities. All essential information, which a bidder needs for sending responsive bid, should be clearly spelt out in the bidding document in simple language. The condition of prior turnover and prior experience may be relaxed for Startups (as defined by Department of Industrial Policy and Promotion) subject to meeting of quality & technical specifications and making suitable provisions in the bidding document. The bidding document should contain, inter alia.

(a) Description and Specifications of goods including the nature, quantity, time and place or places of delivery.

(b) the criteria for eligibility and qualifications to be met by the bidders such as minimum level of experience, past performance, technical capability, manufacturing facilities and financial position etc or limitation for participation of the bidders, if any.

(c) eligibility criteria for goods indicating any legal restrictions or conditions about the origin of goods etc which may required to be met by the successful bidder.

(d) the procedure as well as date, time and place for sending the bids.

(e) date, time and place of opening of the bid.

(e) Criteria for evaluation of bids

(f) special terms affecting performance, if any.

(g) Essential terms of the procurement contract

(h) Bidding Documents should include a clause that “if a firm quotes NIL charges / consideration, the bid shall be treated as unresponsive and will not be considered”.

(ii) Any other information which the procuring entity considers necessary for the bidders to submit their bids.

(iii) Modification to bidding document:

(a) In case any modification is made to the bidding document or any clarification is issued which materially affects the terms contained in the bidding document, the procuring entity shall publish or communicate such modification or clarification in the same manner as the publication or communication of the initial bidding document was made.

(b) In case a clarification or modification is issued to the bidding document, the procuring entity shall, before the last date for submission of bids, extend such time limit, if, in its opinion more time is required by bidders to take into account the clarification or modification, as the case may be, while submitting their bids.

(c) Any bidder who has submitted his bid in response to the original invitation shall have the opportunity to modify or resubmit it, as the case may be, or withdraw such bid in case the modification to bidding document materially affect the essential terms of the procurement, within the period initially allotted or such extended time as may be allowed for submission of bids, after the modifications are made to the bidding document by the procuring entity:-

Provided that the bid last submitted or the bid as modified by the bidder shall be considered for evaluation.

(iv) Suitable provision should be kept in the bidding document to enable a bidder to question the bidding conditions, bidding process and/ or rejection of its bid. The reasons for rejecting a tender or non-issuing a tender document to a prospective bidder must be disclosed where enquiries are made by the bidder.

(v) Suitable provision for settlement of disputes, if any, emanating from the resultant contract, should be kept in the bidding document.

(vi) The bidding document should indicate clearly that the resultant contract will be interpreted under Indian Laws.

(vii) The bidders should be given reasonable time to prepare and send their bids.

(viii) The bids should be opened in public and authorised representatives of the bidders should be permitted to attend the bid opening.

(ix) The specifications of the required goods should be clearly stated without any ambiguity so that the prospective bidders can send meaningful bids. In order to attract sufficient number of bidders, the specification should be broad based to the extent feasible.

(x) Pre-bid conference: In case of turnkey contract(s) or contract(s) of special nature for procurement of sophisticated and costly equipment or wherever felt necessary, a suitable provision is to be kept in the bidding documents for one or more rounds of pre-bid conference for clarifying issues and clearing doubts, if any, about the specifications and other allied technical details of the plant, equipment and machinery etc. projected in the bidding document. The date, time and place of pre-bid conference should be indicated in the bidding document. This date should be sufficiently ahead of bid opening date. The records of such conference shall be intimated to all bidders and, shall also be exhibited on the website(s) where tender was published.

(xi) Criteria for determining responsiveness are to be taken into account for evaluating the bids such as:

(a) time of delivery.

(b) Performance/ efficiency / environmental characteristics.

- (c) the terms of payment and of guarantees in respect of the subject matter of procurement
- (d) price.
- (e) cost of operating, maintaining and repairing etc.
- (xii) Bids received should be evaluated in terms of the conditions already incorporated in the bidding documents; No new condition which was not incorporated in the bidding documents should be brought in for evaluation of the bids. Determination of a bid's responsiveness should be based on the contents of the bid itself without recourse to extrinsic evidence.
- (xiii) Bidders should not be permitted to alter or modify their bids after expiry of the deadline for receipt of bids.
- (xiv) Negotiation with bidders after bid opening must be severely discouraged. However, in exceptional circumstances where price negotiation against an ad-hoc procurement is necessary due to some unavoidable circumstances, the same may be resorted to only with the lowest evaluated responsive bidder.
- (xv) *Deleted vide G.I., M.F., O.M. No. F. 1/26/2018-PPD, dated the 2nd April, 2019.*
- (xvi) Contract should ordinarily be awarded to the lowest evaluated bidder whose bid has been found to be responsive and who is eligible and qualified to perform the contract satisfactorily as per the terms and conditions incorporated in the corresponding bidding document. However, where the lowest acceptable bidder against ad-hoc requirement is not in a position to supply the full quantity required, the remaining quantity, as far as possible, be ordered from the next higher responsive bidder at the rates offered by the lowest responsive bidder.
- (xvii) Procurement of Energy Efficient Electrical Appliances: Ministries/ Departments while procuring electrical appliances notified by Department of Expenditure shall ensure that they carry the notified threshold or higher Star Rating of Bureau of Energy Efficiency (BEE).
- (xviii) The name of the successful bidder awarded the contract should be mentioned in the CPPP, Ministries or Departments website and their notice board or bulletin.
- (xix) Rejection of all Bids is justified when
- a. effective competition is lacking.
  - b. all Bids and Proposals are not substantially responsive to the requirements of the Procurement Documents.
  - c. the Bids'/Proposals' prices are substantially higher than the updated cost estimate or available budget; or

d. none of the technical Proposals meets the minimum technical qualifying score.

(xx) Lack of competition in rule 173(xix) 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:

a. the procurement was satisfactorily advertised and sufficient time was given for submission of bids.

b. the qualification criteria were not unduly restrictive; and

c. prices are reasonable in comparison to market values

(xxi) When a limited or open tender results in only one effective offer, it shall be treated as a single tender contract.

(xxii) In case a purchase Committee is constituted to purchase or recommend the procurement, no member of the purchase Committee should be reporting directly to any other member of such Committee in case estimated value of procurement exceeds ₹ 25 lakhs.

#### **Rule 174 Efficiency, Economy and Accountability in Public Procurement System**

Public procurement procedure should ensure efficiency, economy and accountability in the system. To achieve the same, the following keys areas should be addressed:

(i) To reduce delay, appropriate time frame for each stage of procurement should be prescribed by the Ministry or Department.

(ii) To minimise the time needed for decision making and placement of contract, every Ministry/Department, with the approval of the competent authority, may delegate, wherever necessary, appropriate purchasing powers to the lower functionaries.

(iii) The Ministries or Departments should ensure placement of contract within the original validity of the bids. Extension of bid validity must be discouraged and resorted to only in exceptional circumstances.

(iv) *Deleted vide G.I., M.F., O.M. No. F. 1/26/2018-PPD, dated the 2nd April, 2019.*

#### **Rule 175 Code of Integrity**

(1) No official of a procuring entity or a bidder shall act in contravention of the codes which includes-

(i) Prohibition of:

- (a) making offer, solicitation or acceptance of bribe, reward or gift or any material benefit, either directly or indirectly, in exchange for an unfair advantage in the procurement process or to otherwise influence the procurement process.
  - (b) any omission, or misrepresentation that may mislead or attempt to mislead so that financial or other benefit may be obtained or an obligation avoided.
  - (c) any collusion, bid rigging or anti- competitive behavior that may impair the transparency, fairness and the progress of the procurement process.
  - (d) improper use of information provided by the procuring entity to the bidder with an intent to gain unfair advantage in the procurement process or for personal gain.
  - (e) any financial or business transactions between the bidder and any official of the procuring entity related to tender or execution process of contract, which can affect the decision of the procuring entity directly or indirectly.
  - (f) any coercion or any threat to impair or harm, directly or indirectly, any party or its property to influence the procurement process.
  - (g) obstruction of any investigation or auditing of a procurement process.
  - (h) making false declaration or providing false information for participation in a tender process or to secure a contract.
- (ii) disclosure of conflict of interest.
  - (iii) disclosure by the bidder of any previous transgressions made in respect of provisions of sub-clause (i) with any entity in any country during the last three years or of being debarred by any other procuring entity.
- (2) The procuring entity, after giving a reasonable opportunity of being heard, comes to the conclusion that a bidder or prospective bidder, as the case may be, has contravened the code of integrity, may take appropriate measures.

**Rule 177- 196 Procurement of Consulting Services**

**Rule 177** "Consulting Service" means any subject matter of procurement (which as distinguished from 'Non- Consultancy Services' involves primarily non-physical project-specific, intellectual and procedural processes where outcomes/ deliverables would vary from one consultant to another), other than goods or works, except those incidental or consequential to the service, and includes professional, intellectual, training and advisory services or any other service classified or declared as such by a procuring entity but does not include direct engagement of a retired Government servant.

Note: These Services typically involve providing expert or strategic advice e.g., management consultants, policy consultants, communications consultants, Advisory and project related Consulting Services which include, feasibility studies, project management, engineering services, finance, accounting and taxation services, training and development etc.

**Rule 178** The Ministries or Departments may hire external professionals, consultancy firms or consultants (referred to as consultant hereinafter) for a

specific job, which is well defined in terms of content and time frame for its completion.

**Rule 179** This chapter (Chapter 6-GFR) contains the fundamental principles applicable to all Ministries or Departments regarding engagement of consultant(s). Detailed instructions to this effect may be issued by the concerned Ministries or Departments. However, the Ministries or Departments shall ensure that they do not contravene the basic rules contained in this chapter.

**Rule 180 Identification of Services required to be performed by Consultants:** Engagement of consultants may be resorted to in situations requiring high quality services for which the concerned Ministry/ Department does not have requisite expertise. Approval of the competent authority should be obtained before engaging consultant(s).

**Rule 181 Preparation of scope of the required Consultant(s):** The Ministries/ Departments should prepare in simple and concise language the requirement, objectives and the scope of the assignment. The eligibility and prequalification criteria to be met by the consultants should also be clearly identified at this stage.

**Rule 182 Estimating reasonable expenditure:** Ministry or Department proposing to engage consultant(s) should estimate reasonable expenditure for the same by ascertaining the prevalent market conditions and consulting other organisations engaged in similar activities.

**Rule 183 Identification of likely sources**

(i) Where the estimated cost of the consulting service is up to Rupees twenty-five lakhs, preparation of a long list of potential consultants may be done on the basis of formal or informal enquiries from other Ministries or Departments or Organisations involved in similar activities, Chambers of Commerce & Industry, Association of consultancy firms etc.

(ii) Where the estimated cost of the consulting services is above Rupees twenty-five lakhs, in addition to (i) above, an enquiry for seeking 'Expression of Interest' from consultants should be published on Central Public Procurement Portal (CPPP) at [www.eprocure.gov.in](http://www.eprocure.gov.in) and on GeM. An organisation having its own website should also publish all its advertised tender enquiries on the website. Enquiry for seeking Expression of Interest should include in brief, the broad scope of work or service, inputs to be provided by the Ministry or Department, eligibility and the pre-qualification criteria to be met by the consultant(s) and consultant's past experience in similar work or service. The consultants may also be asked to send their comments on the objectives and scope of the work or service projected in the enquiry. Adequate time should be allowed for getting responses from interested consultants.

**Rule 184 Short listing of consultants.** On the basis of responses received from the interested parties as per Rule 183 above, consultants meeting the requirements should be short listed for further consideration. The number of short listed consultants should not be less than three.

**Rule 185 Preparation of Terms of Reference (TOR).** The TOR should include:

- (i) Precise statement of objectives.
- (ii) Outline of the tasks to be carried out.
- (iii) Schedule for completion of tasks.
- (iv) The support or inputs to be provided by the Ministry or Department to facilitate the consultancy.
- (v) The final outputs that will be required of the Consultant.

**Rule 186 Preparation and Issue of Request for Proposal (RFP).** RFP is the document to be used by the Ministry/Department for obtaining offers from the consultants for the required service. The RFP should be issued to the shortlisted consultants to seek their technical and financial proposals. The RFP should contain :

- (i) A letter of Invitation
- (ii) Information to Consultants regarding the procedure for submission of proposal.
- (iii) Terms of Reference (TOR).
- (iv) Eligibility and pre-qualification criteria in case the same has not been ascertained through Enquiry for Expression of Interest.
- (v) List of key position whose CV and experience would be evaluated.
- (vi) Bid evaluation criteria and selection procedure.
- (vii) Standard formats for technical and financial proposal.
- (viii) Proposed contract terms.
- (ix) Procedure proposed to be followed for midterm review of the progress of the work and review of the final draft report.

**Rule 187 Receipt and opening of proposals:** Proposals should ordinarily be asked for from consultants in 'Two bid' system with technical and financial bids sealed separately. The bidder should put these two sealed envelopes in a bigger envelop duly sealed and submit the same to the Ministry or Department by the specified date and time at the specified place. On receipt, the technical proposals should be opened first by the Ministry or Department at the specified date, time and place.

**Rule 188 Late Bids:** Late bids i.e. bids received after the specified date and time of receipt should not be considered.



**Rule 189 Evaluation of Technical Bids:** Technical bids should be analysed and evaluated by a Consultancy Evaluation Committee (CEC) constituted by the Ministry or Department. The CEC shall record in detail the reasons for acceptance or rejection of the technical proposals analysed and evaluated by it.

**Rule 190 Evaluation of Financial Bids of the technically qualified bidders:** The Ministry or Department shall open the financial bids of only those bidders who have been declared technically qualified by the Consultancy Evaluation Committee as per Rule 189 above for further analysis or evaluation and ranking and selecting the successful bidder for placement of the consultancy contract.

**Rule 191 Methods of Selection/ Evaluation of Consultancy Proposals:** The basis of selection of the consultant shall follow any of the methods given in Rule 192 to 194 as appropriate for the circumstances in each case.

**Rule 192 Quality and Cost Based Selection (QCBS):** QCBS may be used for Procurement of consultancy services, where quality of consultancy is of prime concern.

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

(ii) After opening and scoring, the financial proposals of responsive technically qualified bidders, a final combined score is arrived at by giving predefined relative weightages for the score of quality of the technical proposal and the score of financial proposal.

(iii) The RFP shall specify the minimum qualifying score for the quality of technical proposal and also the relative weightages to be given to the quality and cost (determined for each case depending on the relative importance of quality vis-a-vis cost aspects in the assignment, e.g. 70:30, 60:40, 50:50 etc). The proposal with the highest weighted combined score (quality and cost) shall be selected.

(iv) The weightage of the technical parameters i.e. non- financial parameters in no case should exceed 80 percent.

**Rule 193 Least Cost System (LCS):** LCS is appropriate for assignments of a standard or routine nature (such as audits and engineering design of non-complex works) where well established methodologies, practices and standards exist. Unlike QCBS, there is no weight age for Technical score in the final evaluation and the responsive technically qualified proposal with the lowest evaluated cost shall be selected.

**Rule 194 Single Source Selection/Consultancy by nomination:** The selection by direct negotiation/nomination, on the lines of Single Tender mode of procurement of goods, is considered appropriate only under exceptional circumstance such as:

(i) tasks that represent a natural continuation of previous work carried out by the firm;

(ii) in case of an emergency situation, situations arising after natural disasters, situations where timely completion of the assignment is of utmost importance; and

(iii) situations where execution of the assignment may involve use of proprietary techniques or only one consultant has requisite expertise.

(iv) Under some special circumstances, it may become necessary to select a particular consultant where adequate justification is available for such single-source selection in the context of the overall interest of the Ministry or Department. Full justification for single source selection should be recorded in the file and approval of the competent authority obtained before resorting to such single-source selection.

(v) It 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 tasks of a similar nature; and the required consultancy services are not split into smaller sized procurement.

**Rule 195 Monitoring the Contract:** The Ministry/Department should be involved throughout in the conduct of consultancy, preferably by taking a task force approach and continuously monitoring the performance of the consultant(s) so that the output of the consultancy is in line with the Ministry /Department's objectives.

**Rule 196 Public competition for Design of symbols/logos:** Design competition should be conducted in a transparent, fair and objective manner. Wide publicity should be given to the competition so as to ensure that the information is accessible to all possible participants in the competition. This should include publication on the website of Ministry/Department concerned, as also the Central Public Procurement Portal. If the selection has been by a jury of experts nominated for the purpose, the composition of the jury may also be notified.

#### **Rule 197- 206 Procurement of Non-Consulting Services**

**Rule 197** "Non-Consulting Service" means any subject matter of procurement (which as distinguished from 'Consultancy Services'), involve physical, measurable deliverables/ outcomes, where performance standards can be clearly identified and consistently applied, other than goods or works, except those incidental or consequential to the service, and includes maintenance, hiring of vehicle, outsourcing of building facilities management, security, photocopier service, janitor, office errand services, drilling, aerial photography, satellite imagery, mapping etc.

**Rule 198 Procurement of Non-consulting Services:** A Ministry or Department may procure certain non-consulting services in the interest of economy and efficiency and it may prescribe detailed instructions and procedures for this purpose without, however, contravening the following basic guidelines.

**Rule 199 Identification of likely contractors:** The Ministry or Department should prepare a list of likely and potential contractors on the basis of formal or informal enquiries from other Ministries or Departments and Organisations involved in

similar activities, scrutiny of 'Yellow pages', and trade journals, if available, web site etc.

**Rule 200 Preparation of Tender enquiry:** Ministry or Department should prepare a tender enquiry containing, inter alia:

- (i) The details of the work or service to be performed by the contractor;
- (ii) The facilities and the inputs which will be provided to the contractor by the Ministry or Department;
- (iii) Eligibility and qualification criteria to be met by the contractor for performing the required work/service; and
- (iv) The statutory and contractual obligations to be complied with by the contractor.

**Rule 201 Invitation of Bids:**

(i) For estimated value of the non-consulting service up to Rupees ten lakhs or less: The Ministry or Department should scrutinise the preliminary list of likely contractors as identified as per Rule 199 above, decide the prima facie Eligible and capable contractors and issue limited tender enquiry to them asking for their offers by a specified date and time etc. as per standard practice. The number of the contractors so identified for issuing limited tender enquiry should be more than three.

(ii) For estimated value of the non-consulting service above ₹ 10 lakhs: The Ministry or Department should issue advertisement in such case should be given on Central Public Procurement Portal (CPPP) at [www.eprocure.gov.in](http://www.eprocure.gov.in) and on GeM. An organisation having its own website should also publish all its advertised tender enquiries on the website. The advertisements for invitation of tenders should give the complete web address from where the bidding documents can be downloaded.

**Rule 202 Late Bids:** Late bids i.e. bids received after the specified date and time of receipt should not be considered.

**Rule 203 Evaluation of Bids Received:** The Ministry or Department should evaluate, segregate, rank the responsive bids and select the successful bidder for placement of the contract.

**Rule 204 Procurement of Non-consulting services by nomination:** Should it become necessary, in an exceptional situation to procure a non-consulting service from a specifically chosen contractor, the Competent Authority in the Ministry or Department may do so in consultation with the Financial Adviser. In such cases the detailed justification, the circumstances leading to such procurement by choice and the special interest or purpose it shall serve, shall form an integral part of the proposal.

**Rule 205 Monitoring the Contract:** The Ministry or Department should be involved throughout in the conduct of the contract and continuously monitor the performance of the contractor.

**Rule 206** Any circumstances which are not covered in Rule 198 to Rule 205 for procurement of non-consulting services, the procuring entity may refer Rule 135 to Rule 176 pertaining to procurement of goods and not to the procurement of consulting services.

**Rule 224 (1).** All contracts shall be made by an authority empowered to do so by or under the orders of the President in terms of Article 299 (1) of the Constitution of India.

**Rule 224 (2)** All the contracts and assurances of property made in the exercise of the executive power of the Union shall be executed on behalf of the President. The words “for and on behalf of the President of India” should follow the designation appended below the signature of the officer authorized in this behalf.

Note 1: The various classes of contracts and assurances of property, which may be executed by different authorities, are specified in the Notifications issued by the Ministry of Law from time to time.

Note 2: The powers of various authorities, the conditions under which such powers should be exercised and the general procedure prescribed with regard to various classes of contracts and assurances of property are laid down in Rule 21 of the Delegation of Financial Powers Rules.

**Rule 225 General principles for contract.** The following general principles should be observed while entering into contracts:—

(i) The terms of contract must be precise, definite and without any ambiguities. The terms should not involve an uncertain or indefinite liability, except in the case of a cost plus contract or where there is a price variation clause in the contract.

(ii) Standard forms of contracts should be adopted wherever possible, with such modifications as are considered necessary in respect of individual contracts. The modifications should be carried out only after obtaining financial and legal advice.

(iii) In cases where standard forms of contracts are not used, legal and financial advice should be taken in drafting the clauses in the contract.

(iv) (a) A Ministry or Department may, at its discretion, make purchases of value up to Rupees two lakhs and fifty thousand by issuing purchase orders containing basic terms and conditions:

(b) In respect of Works Contracts, or Contracts for purchases valued between Rupees one lakh to Rupees ten lakhs, where tender documents include the General Conditions of Contract (GCC), Special Conditions of Contract (SCC) and scope of work, the letter of acceptance will result in a binding contract.

(c) In respect of contracts for works with estimated value of Rupees ten lakhs or above or for purchase above Rupees ten lakhs, a Contract document should be executed, with all necessary clauses to make it a self-contained contract. If however, these are preceded by Invitation to Tender, accompanied by GCC and SCC, with full details of

scope and specifications, a simple one page contract can be entered into by attaching copies of the GCC and SCC, and details of scope and specifications, Offer of the Tenderer and Letter of Acceptance.

(d) Contract document should be invariably executed in cases of turnkey works or agreements for maintenance of equipment, provision of services etc.

(v) No work of any kind should be commenced without proper execution of an agreement as given in the foregoing provisions.

(vi) Contract document, where necessary, should be executed within 21 days of the issue of letter of acceptance. Non-fulfilment of this condition of executing a contract by the Contractor or Supplier would constitute sufficient ground for annulment of the award and forfeiture of Earnest Money Deposit.

(vii) Cost plus contracts should ordinarily be avoided. Where such contracts become unavoidable, full justification should be recorded before entering into the contract. Where supplies or special work covered by such cost plus contracts have to continue over a long duration, efforts should be made to convert future contracts on a firm price basis after allowing a reasonable period to the suppliers/contractors to stabilize their production/ execution methods and processes.

Explanation: A cost plus contract means a contract in which the price payable for supplies or services under the contract is determined on the basis of actual cost of production of the supplies or services concerned plus profit either at a fixed rate per unit or at a fixed percentage on the actual cost of production.

(viii) (a) Price Variation Clause can be provided only in long-term contracts, where the delivery period extends beyond 18 months. In short-term contracts, firm and fixed prices should be provided for. Where a price variation clause is provided, the price agreed upon should specify the base level viz, the month and year to which the price is linked, to enable variations being calculated with reference to the price levels prevailing in that month and year.

(b) A formula for calculation of the price variations that have taken place between the Base level and the Scheduled Delivery Date should be included in this clause. The variations are calculated by using indices published by Governments or Chambers of Commerce periodically. An illustrative formula has been appended to these Rules (GFR 2017) at Appendix – 11 for guidance.

(c) The Price variation clause should also specify cut off dates for material and labour, as these inputs taper off well before the scheduled Delivery Dates.

(d) 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. The buyer should ensure a provision in the contract for benefit of any reduction in the price in terms of the price variation clause being passed on to him.

(e) The clause should also stipulate a minimum percentage of variation of the contract price above which price variations will be admissible (e.g. where resultant increase is lower than two per cent. No price adjustment will be made in favour of the supplier).

(f) 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.

(g) Where deliveries are accepted beyond the scheduled Delivery Date subject to levy of liquidated damages as provided in the Contract, the liquidated damages (if a percentage of the price) will be applicable on the price as varied by the operation of the Price variation clause.

(h) No price variation will be admissible beyond the original Scheduled Delivery Date for defaults on the part of the supplier.

(i) Price variation may be allowed beyond the original Scheduled Delivery Date, by specific alteration of that date through an amendment to the contract in cases of Force Majeure or defaults by Government.

(j) Where contracts are for supply of equipment, goods etc, imported (subject to customs duty and foreign exchange fluctuations) and/or locally manufactured (subject to excise duty and other duties and taxes), the percentage and element of duties and taxes included in the price should be specifically stated, along with the selling rate of foreign exchange element taken into account in the calculation of the price of the imported item. The mode of calculation of variations in duties and taxes and Foreign exchange rates and the documents to be produced in support of claims for such variations should also be stipulated in the Contract.

(k) The clause should also contain the mode and terms of payment of the price variation admissible.

(ix) Contracts should include provision for payment of all applicable taxes by the contractor or supplier.

(x) "Lump sum" contracts should not be entered into except in cases of absolute necessity. Where lump sum contracts become unavoidable, full justification should be recorded. The contracting authority should ensure that conditions in the lump sum contract adequately safeguard and protect the interests of the Government.

(xi) Departmental issue of materials should be avoided as far as possible. Where it is decided to supply materials departmentally, a schedule of quantities with the issue rates of such material as are required to execute the contract work should form an essential part of the contract.

(xii) (a) In contracts where government property is entrusted to a contractor either for use on payment of hire charges or for doing further work on such property, specific provision for safeguarding government property (including insurance cover) and for recovery of hire charges regularly, should be included in the contracts.

(b) Provision should be made in the contract for periodical physical verification of the number and the physical condition of the items at the contractor's premises. Results of such verification should be recorded and appropriate penal action taken where necessary.

(xiii) Copies of all contracts and agreements for purchases of the value of Rupees Twenty-five Lakhs and above entered into by civil departments of the Government, should be sent to the Audit Officer and /or the Accounts officer as the case may be.

(xiv) (a) The terms of a contract, including the scope and specification once entered into, should not be materially varied.

(b) Wherever material variation in any of the terms or conditions in a contract becomes unavoidable, the financial and other effects involved should be examined and recorded and specific approval of the authority competent to approve the revised financial and other commitments obtained, before varying the conditions.

(c) All such changes should be in the form of an amendment to the contract duly signed by all parties to the contract.

(xv) Normally no extensions of the scheduled delivery or completion dates should be granted except where events constituting force majeure, as provided in the contract, have occurred or the terms and conditions include such a provision for other reasons. Extensions as provided in the contract may be allowed through formal amendments to the contract duly signed by parties to the contract.

(xvi) All contracts shall contain a provision for recovery of liquidated damages for defaults on the part of the contractor. Only in exceptional circumstances to be justified by procuring entity in writing, an exemption from such provision can be made.

(xvii) A warranty clause should be incorporated in every contract, requiring the supplier to, without charge, repair or rectify defective goods or to replace such goods with similar goods free from defect. Any goods repaired or replaced by the supplier shall be delivered at the buyers premises without costs to the buyer.

(xviii) All contracts for supply of goods should reserve the right of Government to reject goods which do not conform to the specifications.

(xix) No claim for the payment from contractor shall be entertained after the lapse of three years of arising of the claim.

**APPENDIX - C: DELEGATION OF FINANCIAL POWERS WITHIN UIDAI**

S.No.	Nature of Delegation	Delegated to	
1.	Approval of Annual Budget	Authority	
2.	Allocation of funds among Functional Divisions/ Regional Offices/ Technology Centre of UIDAI	Chief Executive Officer	
3.	Approval for <b>Acceptance of Necessity</b> and <b>Expenditure Angle Sanction</b> to the initial proposal, on each occasion, for entering into contracts, agreements, memorandums of understanding or other similar instruments with outside agencies through open/advertised or limited tender enquiry or for procurement through Central Purchase Organisations such as DGS&D.	(a) Up to ₹ 20.00 crore	Chief Executive Officer for all cases which have not been delegated to subordinate officers of UIDAI.
		(b) More than ₹ 20.00 crore	Authority
4.	<b>Acceptance of Necessity</b> and <b>Expenditure Angle Sanction</b> to the initial proposal, on each occasion, for entering into contracts, agreements, memorandums of understanding or other similar instrument with outside agencies through single/negotiated tender enquiry including those for Proprietary Items, resultant single tender (open/ limited tender enquiry but leading to a single bidder situation) and annual rate contract.	(a) Up to ₹ 5.00 crore	Chief Executive Officer
		(b) More than ₹ 5.00 crore	Authority
5.	<b>Additional Expenditure Angle Sanction</b> under the existing contracts, agreements, memorandums of understanding or other similar instruments with outside agencies for modification of scope, by way of change order, on demand service, change in bill of materials/quantity of services or other similar reason or extension of period, where enabling provision for such modification or extension is available in the original contract, agreement, memorandum of understanding or other similar instrument.	(a) Chief Executive Officer for all such cases which has not been delegated to subordinate officers of UIDAI within the limits of 3(a) and 4(a). (b) Chief Executive Officer shall also be competent to approve additional expenditure up to 10 <i>per cent</i> of originally sanctioned amount or ₹ 20.00 crore, whichever is less, in all such cases which were originally approved by the Authority or the revised amount exceeds the financial powers of the Chief Executive Officer. All such additional Expenditure Angle Sanctions shall be submitted for the ratification of the Authority. Once ratified by the Authority, such additional Expenditure Angle Sanctions shall become part of the original sanction.	



S.No.	Nature of Delegation	Delegated to	
6.	Approval for tender enquiry, request for proposal and other similar document related to procurement, amendments thereto, constitution of tender/bid opening and evaluation committees, technical/commercial negotiation committees and approval of recommendations of such committees and other matters incidental to procurement process.	Chief Executive Officer for all such cases which has not been delegated to subordinate officers of UIDAI.	
7.	Approval for release of payment to employees as per their entitlement	Chief Executive Officer for all such cases which have not been delegated to the Head of the Office and the Head of the Department under relevant rules.	
8.	Approval for creation of Permanent Advance (Imprest)	Chief Executive Officer	
9.	Approval for write off of old and unserviceable assets, debts, dues etc. not due to theft, fraud or negligence on each occasion	(a) Up to ₹ 20.00 lakh	Chief Executive Officer
		(b) More than ₹ 20.00 lakh	Authority
10.	Approval for write off of loss of cash, assets, debts, dues etc. due to theft, fraud or negligence on each occasion	(a) Up to ₹ 2.00 lakh	Chief Executive Officer
		(b) More than ₹ 2.00 lakh	Authority
11.	Approval on each occasion for all residual matters having financial implications for which specific delegation has not been made hereunder	(a) Up to ₹ 1.00 crore.	Chief Executive Officer
		(b) More than ₹ 1.00 crore.	Authority
12.	Expenditure up to ₹ 25.00 lakh on each occasion on facility management such as housekeeping and security at Regional Offices of UIDAI	Deputy Director General in-charge of respective Regional Office	
13.	Expenditure up to ₹ 5.00 lakh on each occasion (both for one time expenditure and for expenditure of recurring nature) for functional requirement	Deputy Director General in-charge of respective Functional Wings	
14.	Contingent recurring expenditure in respect of stationery, electricity, water, postal, and telephone charges petrol rent,	Full powers	Deputy Director General (Admin) in HQ and Deputy Director General

S.No.	Nature of Delegation	Delegated to	
	rates and taxes, travelling, local conveyance and other day-to-day office expenses subject to availability of funds.		in-charge of respective RO
15.	Contingent recurring expenditure in respect of items other than serial number 14.	₹ 5.00 lakh per annum in each case	
16.	Contingent non-recurring expenditure including purchase of office equipment like computers, photocopier, fax machines, etc.	₹ 5.00 lakh in each case	
17.	Recurring Miscellaneous expenditure	₹ 5.00 lakh per annum in each case	
18.	Non-recurring miscellaneous expenditure	₹ 5.00 lakh in each case	
19.	Contingent recurring expenditure in respect of stationery, electricity, water, postal, and telephone charges petrol rent, rates and taxes, travelling, local conveyance and other day-to-day office expenses subject to availability of funds.	Full powers	Assistant Director General (Admin) in HQ and Assistant Director General (In-charge Admin) of respective Regional Office
20.	Contingent recurring expenditure in respect of items other than serial number 19.	₹ 25,000 per annum in each case	
21.	Contingent non-recurring expenditure	₹ 25,000 in each case	
22.	Recurring Miscellaneous expenditure	₹ 25,000 per annum in each case	
23.	Non-recurring Miscellaneous expenditure	₹ 25,000 in each case	

**APPENDIX - D: TIME FRAME FOR PROCUREMENT:**

<b>Sr. No.</b>	<b>Activity</b>	<b>Under Single Bid</b>	<b>Under Two Bid</b>
<b>RECEIPT OF INDENT</b>			
1	Vetting and Registration of Indent	1 week	1 week
2	Vendor Selection and preparation of RFP	1 week	1 week
3	IFA's concurrence, CFA's approval and floating of RFP	2 weeks	2 weeks
<b>PROCUREMENT ACTION</b>			
4	Time allowed for submission of offers  <i>* may vary as per the requirement</i>	1 to 3 weeks*	1 to 3 weeks*
5	Opening of technical bid and technical evaluation by TEC	<b>NA</b>	3 weeks
5A	Opening of commercial bids, preparation of CST and vetting etc.	2 weeks	2 weeks
6	Submission of proposal for procurement or making counter offer or for holding negotiations with the concurrence of the IFA and approval of the proposal by the CFA	2 weeks	2 weeks
7	Preparation of brief for the CNC, issuing notice for the CNC and actual conduct of CNC meeting	4 weeks	4 weeks
8	Preparation of the minutes of the CNC meeting and obtaining of signatures of the members/chairman of the CNC	1 week	1 week
9	IFA's concurrence and CFA's approval of the purchase proposal	2 weeks	2 weeks
10	Preparation and dispatch of the Supply Order/signing of the contract	1 week	1 week
<b>TOTAL</b>		17 to 19 weeks	20 to 23 weeks

## APPENDIX - E: COST OF TENDER DOCUMENT:

Tender sets in respect of Advertised (Open) Tender Enquiry will be sold on payment of the prescribed price given below:

Estimated value of the Tender	Price of the Tender set (₹)
1 Upto ₹ 50 lakhs	100
2 More than ₹ 50 lakhs but upto ₹ 1crore	250
3 More than ₹ 1 crore but upto ₹ 5 crores	500
4 More than ₹ 5 crores	1,000

*No cost of tender document may be charged for the tender documents downloaded by the bidders [GFR 161(iv)].*

## APPENDIX - F: FORMAT FOR THE STATEMENT OF CASE (SoC):

1.	Unit/ Division/ Office initiating the SoC	
2.	Name of the item(s) / services being procured Category [Establishment/ Assist to Registrar/ IT / Logistics / Tech Ops. / AEA / UBCC/ Off. Bldgs./ Mach. & Equip. / Any other (to be specified)]	
3.	Justification for procurement	
	a. Authority, if any, under which the proposal is being initiated – Rules / Orders, Instructions, etc. to be quoted	
	b. Information to be provided:	
	i. Which item was serving the purpose till the date?	
	ii. How the present proposal will serve the purpose?	
	c. Broad purpose/s of items being procured	
	d. Detailed Justification from user	
	i. Category of proposal –	
	ii. Fresh Purchase / Up gradation / Replacement / Maintenance / Repair / Any other (to be specified)	
	ii. In case of a fresh purchase:	
	• How was the purpose being served till date?	
	• Why it can't be served with up-gradation of the existing items?	
	iii. In case of up-gradation:	
	• Details of original purchase viz., year, cost, quantity, residual life left, residual life after upgradation, etc.	
	• Confirmation that issues of standardization and compatibility have been taken care of	
	iv. In case of replacement:	
	• What will be done with the items being replaced?	
	• Details of proposal for disposal of existing items (BER certificate, etc. to be enclosed)	
	• Possibility of buy-back or otherwise, along with reasons	

4.	Quantity (a) Basis for working out the quantity against each item – (formula, methodology, etc.)	
	(b) Details like authorized holdings, existing holdings	
	(c) Calculation sheets / PR documents to be enclosed with the SoC (Net Quantity to be shown in <b>Annexure A</b> )	
	(d) Proposed distribution of items being bought with justification.	
5.	Estimated cost of proposal – various elements of cost, such as the basic cost, taxes, transportation cost, training cost, AMC, etc., should be shown separately and the grand total should also be indicated) Basis for working out the estimated cost of proposal to be indicated as follows:	
	(a) Last Purchase Price – Year, Escalation factor, source, quantity to be mentioned.	
	(b) Budgetary quotes – Source, period, etc. to be mentioned along with copy of budgetary quotes.	
	(c) Market Intelligence – Source, period, etc. to be mentioned along with relevant enclosures.	
	(d) Rates obtained from other Organizations – Source, period, quantity, etc. to be mentioned along with relevant enclosures.	
	(e) Professional Evaluation – Detailed reasoning and inputs used to be enclosed.	
	(f) Any other method adopted (to be specified and explained, along with the reasons).	
6.	Details of the last purchase (a) The Quantity and dates on which similar items were procured in last one year.	
	(b) If it is a recurring item, the total period for which the items are being procured.	
	(c) The mode of tendering in respect of last purchase.	
	(d) The source of last purchase. (e) Any other relevant information.	
7.	Availability of funds (a) Is it included in the Budgeted Expenditure Plan (if applicable)?	
	(b) If yes, relevant communication/ details to be quoted.	
	(c) Major Head, Minor Head, Sub Head and Detailed Head under which expenditure in respect of the instant proposal is to be booked.	
	(d) Code Head, as mentioned in Budget	
	(e) Fund Availability certificate as per format given in <b>Annexure B</b> .	
	(f) Name of the paying agency.	

8.	Competent Financial Authority Name/level of the CFA under whom the proposal falls.	
9.	Mode of Tendering (a) OTE/ATE – Mention the websites and newspapers in which the advertisement is proposed to be published. (Draft advertisement to be enclosed)	
	(b) LTE – Mention the reasons for LTE if value of the proposal is more than ₹ 25 lakhs. (The list of vendors for LTE and reasons for including them to be enclosed)	
	(c) PAC tendering – Enclose draft PAC certificate along with detailed justification for PAC tendering.	
	(d) STE – Mention the grounds of urgency / Operation reasons / technical requirements, etc. on which STE is being proposed.	
	(e) Rate Contract – Enclose copy of relevant RC under which the items are being proposed to be bought.	
10.	Draft RFP (a) Draft RFP to be enclosed.	
	(b) Special conditions applicable to the proposal, which have been proposed in draft RFP, to be highlighted in the SoC	

(\_\_\_\_\_)

Officer initiating the proposal

(Note: This is only an indicative format. Information may be provided as per this format, to the extent feasible. If required, additional information may also be provided.)

**Annexure A**

**Format for Quantity and Cost of proposal**

1	2	3	4	5	6	7	8	9	10
Sl No	Name of items	Qty	LPP	POV/ PEV	Market survey	Rates of other Org	Budgetary quotes	Estimate d cost	Total cost X 9

Basic cost =

Taxes, etc. =

Transportation =

**Note** 1. Values in columns 4 to 9 are to be mentioned in terms of rate per unit

2. Value to be indicated in column 9 is to be derived by suitable analysis of rates as mentioned in columns 4 to 8

**Annexure B**

**Format for Certificate regarding availability of funds**

a.	Code head under which the expenditure is proposed	
b.	Total allocation under the code head	
c.	Cash outgo during the current financial year on account of committed liability carried forwarded from the previous year	
d.	Balance available for fresh commitments in current financial year (b-c)	
e.	Cash outgo on account of the commitments already made during the current financial year based on schedule of delivery and payment terms in the supply orders / contracts	
f.	Net balance available for further concurrence (d-e)	

**APPENDIX - G: FORMAT FOR ISSUING SANCTIONS:**

**Title of Sanction** \_ \_\_\_\_\_

1. Broad purpose of sanction.
2. Govt Authority or Schedule / Sub-Schedule/ DoFP under which the sanction / order is being issued
3. Name of the item/items.
4. Quantum of item/items being sanctioned.
5. Value of sanction - both per unit and total.
6. Major Head, Minor Head, Sub Head and Detailed Head under which booking will be done.
7. Validity of Sanction (period / dates)
8. Name of paying agency.
9. Approval of CFA given vide Note number \_\_\_\_\_ dated \_\_\_\_\_ in File number \_\_\_\_\_.
10. Whether being issued under inherent powers or with concurrence of FA.
11. Financial Concurrence (FC) Number allotted by FA.
12. Communication of sanction being signed by the undersigned under powers delegated by CFA to sign such financial documents vide CFA's letter number \_\_\_\_\_ dated \_\_\_\_\_.

<b>Signature/s with name &amp; designation</b>	<b>Serial Number of Sanction</b>	<b>Date of Issue</b>	<b>File Number</b>

**APPENDIX - H: DOCUMENTS TO BE SUBMITTED FOR AUDIT**

- (i) Ink signed copy of the Supply Order/Contract Agreement/ Accepted Tender (AT) Note
- (ii) An ink-signed copy of sanction of the CFA indicating FC Number and date of FA's concurrence, where applicable
- (iii) A copy of the techno-commercial evaluation and rejection details, if any, in case of two bid system
- (iv) A copy of the Comparative Statement of Tenders (CST) with price bids
- (v) A copy of TEC/CNC proceedings, if held
- (vi) PAC certificate/OEM's Certificate/ any other certificate that may be peculiar to the procurement
- (vii) Specimen signatures of sanctioning and countersigning authorities
- (viii) VAT/CST/GST Registration No./PAN No.

**Note:**

1. *The budget allotment letter(s) conveying allocation of funds under the concerned code-heads of expenditure are required to be sent as and when the allocations are made.*



2. *In case documents listed above are not sent in advance to the audit authority, they may be called for by such authority at the time of payment of bills/post audit, where applicable.*

## **APPENDIX - I: DOCUMENTS TO BE SUBMITTED FOR PAYMENT**

- (i) An ink-singed copy of the Contingent Bill/Seller's Bill
- (ii) An ink-signed copy of the Commercial Invoice
- (iii) A copy of the Supply Order with FC No. and date of FA's concurrence, where required under DoFP
- (iv) CRVs in duplicate
- (v) Inspection Note
- (vi) Relevant documents/proof of payment in support of the claim for statutory and other levies, such as GST challan, VAT challan, Excise duty challan, Customs duty clearance certificate, Octroi receipt, proof of payment for EPF / ESIC contribution with nominal roll of beneficiaries, etc., as applicable
- (vii) Exemption certificate for Excise duty/Customs duty, if applicable
- (viii) Bank Guarantee for advance, if any
- (ix) Guarantee/Warranty Certificate
- (x) Performance Bank Guarantee/Indemnity bond, where applicable
- (xi) DP extension letter with CFA's sanction, FC No. and date of FA's concurrence, where required, indicating whether extension is with or without LD
- (xii) Details for electronic payment as per mandate form, if these details are not incorporated in the Supply Order/Contract or in case there is a change in these details
- (xiii) User acceptance
- (xiv) Any other document/certificate that may be provided for in the supply order/contract.
- (xv) GST compliance document

*[Note: Depending upon the peculiarities of the procurement being undertaken, documents may be selected from the list given above and specified in the RFP and supply order/contract.]*

## **APPENDIX - J: STANDARD ARBITRATION CLAUSE**

- (i) All disputes or differences arising out of or in connection with the present contract including the one connected with the validity of the present contract or any part thereof, should be settled by bilateral discussions.
- (ii) Any dispute, disagreement of question arising out of or relating to this contract or relating to construction or performance (except as to any matter the decision or determination whereof is provided for by these conditions), which cannot be settled amicably, shall within sixty (60) days or such longer period as may be mutually agreed upon, from the date on which either party informs the other in writing by a notice that such dispute, disagreement or question exists, will be settled through arbitration as per the Arbitration & Conciliation Act, 1996 (as amended) to be decided by a Sole Arbitrator.
- (iii) Within sixty (60) days of the receipt of the said notice, an arbitrator shall be nominated in writing by the Authority as agreed upon by the parties. The parties may agree to have their dispute(s) resolved in terms of Section 29B – Fast track procedure,

of the Arbitration and Conciliation Act, 1996 (as amended).

(iv) The sole Arbitrator shall have its seat in New Delhi or such other place in India as may be mutually agreed to between the parties. The courts in Delhi, India shall have exclusive jurisdiction in relation to all matters arising under this contract.

(v) The arbitration proceedings shall be conducted under the Indian Arbitration and Conciliation Act, 1996 and the decision of the Sole Arbitrator shall be accepted by the parties as final and binding. The award of such Arbitration Tribunal shall be enforceable in Indian Courts only.

(vi) Each party shall bear its own cost of preparing and presenting its case. The cost of arbitration including the fees and expenses shall be shared equally by the parties, unless otherwise awarded by the sole arbitrator.

(vii) The parties shall continue to perform their respective obligations under this contract during the pendency of the arbitration proceedings except in so far as such obligations are the subject matter of the said arbitration proceedings.

(Note - In the event of the parties deciding to refer the dispute/s for adjudication to an Arbitral Tribunal then one arbitrator each will be appointed by each party and the case will be referred to the Indian Council of Arbitration (ICADR) for nomination of the third arbitrator. The fees of the arbitrator appointed by the parties shall be borne by each party and the fees of the third arbitrator, if appointed, shall be equally shared by the buyer and seller).

#### **APPENDIX - K: STANDARD FORCE MAJEURE CLAUSE**

a. Neither party shall bear responsibility for the complete or partial nonperformance of any of its obligations (except for failure to pay any sum which has become due on account of receipt of goods under the provisions of the present contract), if the non-performance results from such Force Majeure circumstances as Flood, Fire, Earth Quake and other acts of God as well as War, Military operation, blockade, Acts or Actions of State Authorities or any other circumstances beyond the parties control that have arisen after the conclusion of the present contract.

b. In such circumstances the time stipulated for the performance of an obligation under the present contract is extended correspondingly for the period of time of action of these circumstances and their consequences.

c. The party for which it becomes impossible to meet obligations under this contract due to Force Majeure conditions, is to notify in written form the other party of the beginning and cessation of the above circumstances immediately, but in any case not later than 10 (Ten) days from the moment of their beginning.

d. Certificate of a Chamber of Commerce (Commerce and Industry) or other competent authority or organization of the respective country shall be a sufficient proof of commencement and cessation of the above circumstances.

e. If the impossibility of complete or partial performance of an obligation lasts for more than 6 (six) months, either party hereto reserves the right to terminate the contract totally or partially upon giving prior written notice of 30 (thirty) days to the other party of the intention to terminate without any liability other than reimbursement on the terms provided in the agreement for the goods received.

#### **APPENDIX - L: STANDARD RISK & EXPENSE PURCHASE CLAUSE**

1. Should the stores or any installment thereof not be delivered within the time or times specified in the contract documents, or if defective delivery is made in respect of the stores or any installment thereof, the Buyer shall after granting the Seller 45 days to cure the breach, be at liberty, without prejudice to the right to recover liquidated damages as a remedy for breach of contract, to declare the contract as cancelled either wholly or to the extent of such default.

2. Should the stores or any installment thereof not perform in accordance with the specifications / parameters provided by the SELLER during the check proof tests to be done in the BUYER's country, the BUYER shall be at liberty, without prejudice to any other remedies for breach of contract, to cancel the contract wholly or to the extent of such default.

3. In case of a material breach that was not remedied within 45 days, the BUYER shall, having given the right of first refusal to the SELLER be at liberty to purchase, manufacture, or procure from any other source as he thinks fit, other stores of the same or similar description to make good:-

a. Such default.

b. In the event of the contract being wholly determined the balance of the stores remaining to be delivered thereunder.

4. Any excess of the purchase price, cost of manufacturer, or value of any stores procured from any other supplier as the case may be, over the contract price appropriate to such default or balance shall be recoverable from the SELLER. Such recoveries shall not exceed \_\_\_ % of the value of the contract.”

**APPENDIX - M: BANK GUARANTEE FOR EMD**

**(To be Stamped in accordance with Stamp Act)**

**The non-judicial stamp paper should be in the name of issuing Bank**

Ref.....

Bank Guarantee No.....

Date.....

To

Unique Identification Authority of India,  
Government of India Bangla Sahib Road,  
Behind Kali Mandir, Gole Market, New Delhi - 110001

Dear Sirs,

1. In accordance with Invitation to Bid under your Specification No.....M/s..... having its Registered/Head Office at..... (hereinafter called the 'Bidder') wish to participate in the said Bid or..... and you, as a special favour have agreed to accept an irrevocable and unconditional Bank Guarantee for an amount of .....valid upto.....on behalf of Bidder in lieu of the Bid deposit required to be made by the Bidder, as a condition precedent for participation in the said Bid.

2. We, the ..... Bank at ..... (local address) having our Head office at ..... guarantee and undertake to pay immediately on demand by Unique Identification Authority of India, the amount of ..... (in words & figures) without any reservation, protest, demur and recourse. Any such demand made by said 'Owner' shall be conclusive and binding on us irrespective of any dispute or difference raised by the Bidder.

3. This guarantee will not be discharged due to the change in the constitution of the Bank or the Supplier(s)/Service Provider(s).

4. Notwithstanding anything contained hereinabove:

(1) Our liability under this guarantee is restricted to ₹ .....(in words & figures).

(2) This Bank Guarantee will be valid upto.....; and

(3) We are liable to pay the guarantee amount or any part thereof under this Bank Guarantee only upon service of a written claim or demand by you on or before .....

In witness whereof the Bank, through its authorised officer, has set its hand and 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.....**

Dated.....

**APPENDIX - N: PERFORMANCE BANK GUARANTEE**

**(To be stamped in accordance with Stamp Act)**

**The non-judicial stamp paper should be in the name of issuing Bank**

Ref.....

**.Bank Guarantee No.....**

**Date.....**

To

Unique Identification Authority of India,  
Government of India Bangla Sahib Road,  
Behind Kali Mandir, Gole Market, New Delhi - 110001

Dear Sirs,

1. In consideration of the Unique Identification Authority of India, Ministry of Electronic & Information Technology, Government of India (hereinafter referred to as the 'Owner' which expression shall unless repugnant to the context or meaning thereof include its successors, administrators and assigns) having awarded to M/s.....with its Registered/Head office at ..... (hereinafter referred to as the "Contractor" which expression shall unless repugnant to the context or meaning thereof, include its successors, administrators, executors and assigns), a Contract by issue of Notification of award No..... dated.....and the same having been acknowledged by the Contractor, resulting in a Contract, bearing No..... dated..... valued at.....for..... (scope of Contract) and the Contractor having agreed to provide a Contract Performance Guarantee for the faithful performance of the entire Contract not exceeding ₹ ..... (in words & figures).

2. We.....(Name & Address of Bank Branch) having its Head office at ..... (hereinafter referred to as the 'Bank', which expression shall, unless repugnant to the context or meaning thereof, include its successors, administrators, executors and assigns) do hereby guarantee and undertake to pay the amounts due and payable under this guarantee without any demur, reservation, context, recourse or protest and/or without any reference to the Contractor merely on a demand from the Owner stating that the amount claimed is due by way of loss or damage caused to or would be caused to or suffered by the Owner by reason of breach by the said Contractor(s) of any of the terms or conditions contained in the said Agreement or by reason of the Contractor(s)' failure to perform the said Agreement. Any such demand made on the Bank shall be conclusive and binding notwithstanding any difference between the Owner and the Contractor or any dispute pending before any Court, Tribunal, Arbitrator or any

other authority. We agree that the guarantee herein contained shall be irrevocable and shall continue to be enforceable till the Owner discharges this guarantee.

3. The Owner shall have the fullest liberty without affecting in any way the liability of the Bank under this guarantee, from time to time to extent the time for performance of the Contract by the Contractor. The Owner shall have the fullest liberty, without affecting this guarantee, to postpone from time to time the exercise of any powers vested in them or of any right which they might have against the Contractor, and to exercise the same at any time in any manner, and either to enforce or to forbear to enforce any covenants, contained or implied, in the Contract between the Owner and the Contractor or any other course or remedy or security available to the Owner. The Bank shall not be released of its obligations under these presents by any exercise by the Owner of its liberty with reference to the matters aforesaid or any of them or by reason of any other act of omission or commission on the part of the Owner or any other indulgences shown by the Owner or by any other matter or thing whatsoever which under law would, but for this provision have the effect of relieving the Bank.

4. The Bank also agrees that the Owner at its option shall be entitled to enforce this Guarantee against the Bank as a principal debtor, in the first instance without proceeding against the Contractor and notwithstanding any security or other guarantee the Owner may have in relation to the Contractor's liabilities.

5. This guarantee will not be discharged due to the change in the constitution of the Bank or the Contractor(s)/Service Provider(s).

6. Notwithstanding anything contained hereinabove:

- (1) Our liability under this guarantee is restricted to ₹ .....(in words & figures).
- (2) This Bank Guarantee will be valid upto.....; and
- (3) We are liable to pay the guarantee amount or any part thereof under this Bank Guarantee only upon service of a written claim or demand by you on or before .....

In witness whereof the Bank, through its authorised officer, has set its hand and stamp on this day of.....20.....at.....

**WITNESS**

<b>(Signature)</b>	<b>(Signature)</b>
<b>(Name)</b>	<b>(Name)</b>
<b>(Official Address)</b>	<b>(Designation with Bank Stamp)</b> <b>Attorney as per Power of Attorney No.....</b> <b>Dated.....</b>

**APPENDIX - O: BANK GUARANTEE FOR ADVANCE PAYMENT**

**(To be stamped in accordance with Stamp Act)**

**The non-judicial stamp paper should be in the name of issuing Bank**

**Ref.....**

**Bank Guarantee No.....**

**Date.....**

To

Unique Identification Authority of India,  
Government of India Bangla Sahib Road,  
Behind Kali Mandir, Gole Market, New Delhi - 110001

Dear Sirs,

1. In consideration of the Unique Identification Authority of India, Ministry of Electronic & Information Technology, Government of India (hereinafter referred to as the 'Owner' which expression shall unless repugnant to the context or meaning thereof include its successors, administrators and assigns) having awarded to M/s..... with its Registered/Head office at ..... (hereinafter referred to as the "Contractor" which expression shall unless repugnant to the context or meaning thereof, include its successors, administrators, executors and assigns), a Contract by issue of Notification of award No..... dated.....and the same having been acknowledged by the Contractor, resulting in a Contract, bearing No..... dated..... valued at.....for.....(scope of work) and the Owner having agreed to make an advance payment to the Contractor (specify nature of work for which advance is given) not exceeding ₹ ..... (in words & figures) as an advance against Bank Guarantee to be furnished by the Contractor.

2. We.....(Name & Address) having its Head office at..... (hereinafter referred to as the 'Bank', which expression shall, unless repugnant to the context or meaning thereof, include its successors, administrators, executors and assigns) do hereby guarantee and undertake to pay the amounts due and payable under this guarantee without any demur, reservation, context, recourse or protest and/or without any reference to the Contractor merely on a demand from the Owner stating that the amount claimed is due by way of loss or damage caused to or would be caused to or suffered by the Government by reason of breach by the said supplier(s)' failure to perform the said Agreement. Any such demand made on the Bank shall be conclusive and binding notwithstanding any difference between the Owner and the Contractor or any dispute pending before any Court, Tribunal, Arbitrator or any other authority. We agree that the guarantee herein contained shall be irrevocable and shall continue to be enforceable till the Owner discharges this guarantee.



3. The Owner shall have the fullest liberty without affecting in any way the liability of the Bank under this guarantee, from time to time to vary the advance or to extend the time for performance of the Contract by the Contractor. The Owner shall have the fullest liberty, without affecting this guarantee, to postpone from time to time the exercise of any powers vested in them or of any right which they might have against the Contractor, and to exercise the same at any time in any manner, and either to enforce or to forbear to enforce any covenants, contained or implied, in the Contract between the Owner and the Contractor or any other course or remedy or security available to the Owner. The Bank shall not be released of its obligations under these presents by any exercise by the Owner of its liberty with reference to the matters aforesaid or any of them or by reason of any other act or forbearance or other acts of omission or commission on the part of the Owner or any other indulgences shown by the Owner or by any other matter or thing, whatsoever which under law would, but for this provision have the effect of relieving the Bank.

4. The Bank also agrees that the Owner at its option shall be entitled to enforce this Guarantee against the Bank as a principal debtor, in the first instance without proceeding against the Contractor and notwithstanding any security or other guarantee the Owner may have in relation to the Contractor's liabilities.

5. This guarantee will not be discharged due to the change in the constitution of the Bank or the Contractor(s)/Service Provider(s).

6. Notwithstanding anything contained hereinabove:

(1) Our liability under this guarantee is restricted to ₹ .....(in words & figures).

(2) This Bank Guarantee will be valid upto.....; and

(3) We are liable to pay the guarantee amount or any part thereof under this Bank Guarantee only upon service of a written claim or demand by you on or before .....

In witness whereof the Bank, through its authorised officer, has set its hand and 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.....**

**Dated.....**

**APPENDIX - P: BG CONFIRMATION LETTER**

**Ref. No.**

**Date:.....**

To

The Branch Manager,  
<<Name of Bank>>  
<<Address of Bank>>

Dear Sir / Madam,

**Sub: Confirmation of Bank Guarantee No. .... dated .....**

We have received the above mentioned Bank Guarantee on behalf of <<name of vendor>>, as Performance BG for <<name of contract and contract date>>. The Bank Guarantee is valid up to <<BG Validity date>>. The detail of the Bank Guarantee is furnished below.

01)	BG Number & Date	::
02)	Contract Description	::
03)	Contract Date	::
04)	Project Name	::
05)	Party's Name	::
06)	Value & Validity	::

You are requested to please confirm the issuance of the Bank Guarantee and return the second copy of this letter by **REGISTERED POST** to the undersigned duly attested under your signature and Bank's seal that the above mentioned Bank Guarantee has issued by you through an authorized officer of the Bank.

Thanking You,

Yours faithfully,

For Unique Identification Authority of India,

(Name of officer)  
Designation

**CONFIRMATION CERTIFICATE BY THE BANKER**

Certified that the aforesaid Bank Guarantee has been issued by Mr. /Ms. \_\_\_\_\_an authorized officer of the Bank. The parts mentioned above are verified and are correct.

Signature  
Name  
Designation Bank Seal  
  
Power of Attorney No.

**APPENDIX - Q1: RENEWAL / EXTENSION LETTER (BG)**

**Ref. No.**

**Date:.....**

To  
The Branch Manager,  
<<Name of Bank>>  
<<Address of Bank>>

Dear Sir / Madam,

**Sub: Conditional Claim against the Bank Guarantee issued by you in favour of <<UNIQUE IDENTIFICATION AUTHORITY OF INDIA, GOVT. OF INDIA>>**

The validity period of the following bank guarantee executed by you in our favour bearing no. <<Bank Guarantee No. >> is expiring on <<date up to which BG is valid>> and is to be extended mainly by another

<<6 months>> before the expiry of the validity and in case the extension is not provided to us before the expiry date, this may be treated as claim against this bank guarantee and the proceeds of the same shall be remitted to us by way of Demand Draft favouring "<<UNIQUE IDENTIFICATION AUTHORITY OF INDIA, GOVT. OF INDIA>> (Name as mentioned in Bank account)

- (1) BG Number & Date ::
- (2) Contract Date ::
- (3) Contract Description ::
- (4) Party's Name ::
- (5) BG Value & Validity::

It may kindly be noted that this claim will automatically become formal claim in the event of non extension of the validity period of the above bank guarantee and no further claim will be lodged for realising of the proceeds.

Thanking you,

Yours faithfully,

For Unique Identification Authority of India,

Copy to:

<<Name of Party>>  
<<Address of Party>>

(Name of officer)  
Designation

**APPENDIX - Q2: EXTENSION OF BANK GUARANTEE**

(To be stamped in accordance with Stamp Act)

**Ref. No.**

**Date:.....**

To

Unique Identification Authority of India,  
Government of India, Bangla Sahib Road,  
Behind Kali Mandir, Gole Market, New Delhi - 110001

Dear Sirs,

**Sub: Extension of Bank Guarantee No .....** for ₹  
..... favouring yourselves, expiring on  
..... on account of M/s .....in respect of Contract  
No ..... dated ..... (hereinafter called  
original Bank Guarantee).

At the request of M/s. ...., we  
..... Bank, branch office at ..... and  
having its Head Office at ..... do hereby extend our liability  
under the above – mentioned Guarantee No ..... Dated for a  
further period of ..... (years/months) from ..... to  
expire on ..... except as provided above, all other terms and conditions  
of the original Bank Guarantee No ..... Dated shall remain unaltered  
and binding.

In witness whereof the Bank, through its authorised officer, has set its hand and  
stamp on this day of.....20.....at.....

**WITNESS**

<b>(Signature)</b>	<b>(Signature)</b>
<b>(Name)</b>	<b>(Name)</b>
<b>(Official Address)</b>	<b>(Designation with Bank Stamp)</b> <b>Attorney as per Power of Attorney No.....</b> Dated.....

**APPENDIX - R:**

**BANK GUARANTEE INVOCATION / ENCASHMENT / CLAIM LETTER**

**Ref. No.**

**Date:.....**

To

The Branch Manager,  
<<Name of Bank>>  
<<Address of Bank>>

Dear Sir / Madam,

**Sub: Invocation / Encashment of Bank Guarantee issued by you in favour of**  
**<<UNIQUE IDENTIFICATION AUTHORITY OF INDIA, GOVT. OF INDIA>>**

This has reference to clause no. 2 of bank guarantee No. << >>> dated << >>, issued by your Bank Branch. This communication may be treated as a formal claim against the Bank Guarantee and the proceeds of the same be remitted to us by way of Demand Draft favouring "**<<UNIQUE IDENTIFICATION AUTHORITY OF INDIA, GOVT. OF INDIA>>**" (Name as mentioned in Bank account)

- (1) BG Number & Date ::
- (2) Contract Date ::
- (3) Contract Description ::
- (4) Party's Name ::
- (5) BG Value & Validity::

Thanking you,

Yours faithfully,

For Unique Identification Authority of India,

Copy to:

<<Name of Party>>  
<<Address of Party Party>>  
officer)

(Name of

Designation

**APPENDIX - S**

**BANK GUARANTEE REGISTER**

(I)	S. No.	(II)	Nature of BG	(III)	BG No.	(IV)	Name of Vendor	(V)	Address of Party	(VI)	Name of Contract	(VII)	Bank Name	(VIII)	Address of Bank	(IX)	Amount	(X)	Valid	(XI)	BG Confirmed (Yes/No)
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(XII)	BG Confirmation Letter Ref. No. /  Date	(XIII)	Signature of Verifying Officer	(XIV)	Extension Letter No. & Date (Issued by  UIDAI)	(XV)	BG Extension Communication & Date (received from  Bank)	(XVI)	Whether Encashed (Yes / No)	(XVII)	Encashment Date	(XVIII)	Signature of Verifying Officer	(XIX)	BG Release Date	(XX)	Releasing/ Authorizing officer	(XXI)	Remarks (if any)
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**APPENDIX - T: FORMAT OF RFP:** Suggested format for the RFP for procurement of goods and services (*Note: This format is only intended to provide a guideline and structure for formulating an RFP and suitable amendments / modifications / additions etc. may be required to be incorporated depending upon the nature of the goods or services intended to be procured*)

## **Particulars of the Buyer issuing the RFP**

### **Invitation of Bids for Supply of (Title of RFP)**

**RFP No.....Dated .....**

1. Bids in sealed cover are invited for supply of items listed in Part III of this RFP. Please superscribe the above mentioned Title, RFP number and date of opening of the Bids on the sealed cover to avoid the Bid being declared invalid.
2. The address and contact numbers for sending Bids or seeking clarifications regarding this RFP are given below -
  - a. Bids/queries to be addressed to:
  - b. Postal address for sending the Bids:
  - c. Name/designation of the contact personnel:
  - d. Telephone numbers of the contact personnel:
  - e. e-mail ids of contact personnel:
  - f. Fax number:
3. This RFP is divided into five Parts as follows:
  - a. Part I – Contains General Information and Instructions for the Bidders about the RFP such as the time, place of submission and opening of tenders, Validity period of tenders, etc.
  - b. Part II – Contains essential details of the items/services required, such as the Schedule of Requirements (SOR), Technical Specifications, Delivery Period, Mode of Delivery and Consignee details.
  - c. Part III – Contains General Conditions of RFP, which will form part of the Contract with the successful Bidder.
  - d. Part IV – Contains Special Conditions applicable to this RFP and which will also form part of the contract with the successful Bidder.
  - e. Part V – Contains Evaluation Criteria and Format for Price Bids.
4. This RFP is being issued with no financial commitment and the Buyer reserves the right to change or vary any part thereof at any stage. Buyer also reserves the right to withdraw the RFP, should it become necessary at any stage.

### **Part I – General Information**

#### **1. Last date and time for depositing the Bids (dd/mm/yyyy)**

The sealed Bids (both technical and Commercial, in case two bids are called for) should be deposited/reach by the due date and time. The responsibility to ensure this lies with the Bidder.

#### **2. Manner of depositing the Bids:** Sealed Bids should be either dropped



in the Tender Box marked as or sent by registered post at the address given above so as to reach by the due date and time. Late tenders will not be considered. No responsibility will be taken for postal delay or non-delivery/ non- receipt of Bid documents. Bids sent by FAX or e-mail will not be considered (*unless they have been specifically called for by these modes due to urgency*).

**3. Time and date for opening of Bids**

(If due to any exigency, the due date for opening of the Bids is declared a closed holiday, the Bids will be opened on the next working day at the same time or on any other day/time, as intimated by the Buyer).

**4. Location of the Tender Box:** Only those Bids that are found in the tender box will be opened. Bids dropped in the wrong Tender Box will be rendered invalid.

**5. Place of opening of the Bids** The Bidders may depute their representatives, duly authorized in writing, to attend the opening of Bids on the due date and time. Rates and important commercial/technical clauses quoted by all Bidders will be read out in the presence of the representatives of all the Bidders. This event will not be postponed due to non-presence of your representative.

**6. Two-Bid system:** In case of the Two-bid system, only the Technical Bid would be opened on the time and date mentioned above. Date of opening of the Commercial Bid will be intimated after acceptance of the Technical Bids. Commercial Bids of only those firms will be opened, whose Technical Bids are found compliant/suitable after Technical evaluation is done by the Buyer.

**7. Forwarding of Bids:** Bids should be forwarded by Bidders under their original memo / letter pad inter alia furnishing details like TIN number, VAT/CST number, Bank address with EFT Account if applicable, etc and complete postal & e-mail address of their office.

**8. Clarification regarding contents of the RFP:** A prospective bidder who requires clarification regarding the contents of the bidding documents shall notify to the Buyer in writing about the clarifications sought within the time period specified in the bid document. Copies of the query and clarification by the purchaser will be sent to all prospective bidders who have received the bidding documents.

**9. Modification and Withdrawal of Bids:** A bidder may modify or withdraw his bid after submission provided that the written notice of modification or withdrawal is received by the Buyer prior to deadline prescribed for submission of bids. A withdrawal notice may be sent by fax but it should be followed by a signed confirmation copy to be sent by post and such signed confirmation should reach the purchaser not later than the deadline for submission of bids. No bid shall be modified after the deadline for submission of bids. No bid may be withdrawn in the interval between the deadline for submission of bids and expiration of the period of bid validity specified. Withdrawal of a bid during this period will result in Bidder's forfeiture of bid security.

**10. Clarification regarding contents of the Bids:** During evaluation and comparison of bids, the Buyer may, at its discretion, ask the bidder for clarification of his bid. The request for clarification will be given in writing and no change in prices or substance of the bid will be sought, offered or permitted. No post-bid clarification on the initiative of the bidder will be entertained.

**11. Rejection of Bids:** Canvassing by the Bidder in any form, unsolicited letter and post-tender correction may invoke summary rejection with forfeiture of EMD. Late Bids / Conditional tenders will be rejected.

**12. Unwillingness to quote:** Bidders unwilling to quote should ensure that intimation to this effect reaches before the due date and time of opening of the Bid, failing which the defaulting Bidder may be delisted for the given range of items as mentioned in this RFP.

**13. Validity of Bids:** The Bids should remain valid till \_\_ \_\_ \_\_ \_\_ (Date) from the last date of submission of the Bids.

**14. Bid Security/Earnest Money Deposit:** – Bidders are required to submit Bid Security/Earnest Money Deposit (EMD) for amount of \_\_ along with their bids. The EMD may be submitted in the form of an Account Payee Demand Draft, Fixed Deposit Receipt, Banker's Cheque or Bank Guarantee from any Commercial Bank or payment online in an acceptable form as per Appendix - M of the Procurement Manual (can be provided on request). EMD is to remain valid for a period of forty-five days beyond the final bid validity period. EMD of the unsuccessful bidders will be returned to them at the earliest after expiry of the final bid validity and latest on or before the 30th day after the award of the contract. The Bid Security of the successful bidder would be returned, without any interest whatsoever, after the receipt of Performance Security from them as called for in the contract. EMD is not required to be submitted by those bidders who are Micro and Small Enterprises (MSEs) as defined in MSE Procurement Policy issued by Department of Micro, Small and Medium Enterprises (MSME) or are registered with the Central Purchase Organisation or the concerned Ministry or Department **or Startups as recognized by Department of Industrial Policy and Promotion (DIPP).** The EMD will be forfeited if the bidder withdraws or amends impairs or derogates from the tender in any respect within the validity period of their tender. **In place of a Bid security, the Bidders may sign a Bid securing declaration** accepting that if they withdraw or modify their Bids during the period of validity, or if they are awarded the contract and they fail to sign the contract, or to submit a performance security before the deadline defined in the request for bids document, they will be suspended for the period of time specified in the request for bids document from being eligible to submit Bids for contracts with the entity that invited the Bids.

**15. Undertaking:** Bidders are required to submit an undertaking in the following format:

*This is to certify that I/We have understood all the terms & conditions of the tender and abides by it. Further, I/We declare; a) that no criminal case or insolvency proceedings is pending against the Bidder and no Employee or Officer or Partner or Director of the Bidder has been convicted of any criminal offence or offence involving moral turpitude,*

as per the laws of India or the Bidder has not been blacklisted by any Agency/Govt. Department/PSU/Banks, etc.

**Part II – Essential Details of Items/Services required**

**1. Schedule of Requirements** – List of items / services required is as follows:

**Name/Type of item/services/description of stores quantity required**

.....

**2. Technical Details:**

- (a) Specifications/drawings, as applicable
- (b) Technical details with technical parameters
- (c) Requirement of training/on-job training
- (d) Requirement of installation/commissioning
- (e) Requirement of Factory Acceptance Trials (FAT), User Acceptance Tests (UAT)
- (f) Requirement of Technical documentation
- (g) Nature of assistance required after completion of warranty
- (h) Requirement of pre-site/equipment inspection
- (i) Any other details, as considered necessary

**3. Two-Bid System** - In respect of Two-bid system, Bidders are required to furnish clause by clause compliance of specifications bringing out clearly the deviations from specification, if any. The Bidders are advised to submit the compliance statement in the following format along with Technical Bid –

Para of RFP specifications item-wise	Specification of item offered	Compliance to RFP specification – whether Yes / No	In case of non-compliance, deviation from RFP to be specified in unambiguous terms

**4. Delivery Period** - Delivery period for supply of items would be from the effective date of contract. Please note that Contract can be cancelled unilaterally by the Buyer in case items are not received within the contracted delivery period. Extension of contracted delivery period will be at the sole discretion of the Buyer, with applicability of LD clause.

**5. Terms for Delivery & Transportation** - Unless otherwise specifically agreed to by the Buyer and the Seller and incorporated in the contract, the applicable rules for transportation of goods shall be as under:

**TERMS OF DELIVERY - DATE OF DELIVERY**

- a) Local Delivery at Site - The date on which the delivery is made at the consignee’s site mentioned in the contract.
- b) Ex-works - The date the Seller delivers the goods to the Buyer at Seller’s factory / premises.

- c) F.O.R Station of Dispatch - The date on which the goods are placed by the Seller on rail with clear Rail Receipt.
- d) By Post Parcel - The date of postal receipt.
- e) Dispatch by Air - The date of Air-way Bill.
- f) F.O.R. Destination - the date on which the goods reach the destination railway station specified in the contract, unless otherwise stated.
- g) C.I.P. Destination - The date on which the delivery is effected at the destination mentioned in the contract.
- h) F.A.S. Port of Shipment - The date on which the Seller deliver the goods alongside the vessel at the specified port of shipment. This date is reflected in Bill of Lading.
- i) F.O.B. Port of Shipment - The date on which the Seller delivers the goods on vessel's board at the specified port of shipment. This date is reflected in Bill of Lading.
- j) C.I.F. Port of Destination - The date on which the goods actually arrived at the Destination Port.

## **6. Consignee details**

### **Part III – General Conditions of RFP**

The Bidder is required to give confirmation of their acceptance of the General Conditions of the Request for Proposal mentioned below which will automatically be considered as part of the Contract concluded with the successful Bidder (i.e. Seller in the Contract) as selected by the Buyer. Failure to do so may result in rejection of the Bid submitted by the Bidder.

1. **Law:** The Contract shall be considered and made in accordance with the laws of the Republic of India. The contract shall be governed by and interpreted in accordance with the laws of the Republic of India.

2. **Effective Date of the Contract:** The contract shall come into effect on the date of signatures of both the parties on the contract (Effective Date) and shall remain valid until the completion of the obligations of the parties under the contract. The deliveries and supplies and performance of the services shall commence from the effective date of the contract.

3. **Arbitration:** All disputes or differences arising out of or in connection with the Contract shall be settled by bilateral discussions. Any dispute, disagreement or question arising out of or relating to the Contract or relating to construction or performance, which cannot be settled amicably, may be resolved through arbitration. The standard clause of arbitration is as per Appendix - J of the Procurement Manual (can be provided on request).

4. **Penalty for use of Undue influence:** The Seller undertakes that he has not given, offered or promised to give, directly or indirectly, any gift, consideration, reward, commission, fees, brokerage or inducement to any person in service of the Buyer or otherwise in procuring the Contracts or forbearing to do or for having done or forborne to do any act in relation to the obtaining or execution of the present Contract or any other Contract with the Government of India for showing or forbearing to show favour or disfavour to any person in relation to the present Contract or any other Contract with the Government of India. Any breach of the aforesaid undertaking by the Seller or any one employed by him or acting on his

behalf (whether with or without the knowledge of the Seller) or the commission of any offers by the Seller or anyone employed by him or acting on his behalf, as defined in Chapter IX of the Indian Penal Code, 1860 or the Prevention of Corruption Act, 1986 or any other Act enacted for the prevention of corruption shall entitle the Buyer to cancel the contract and all or any other contracts with the Seller and recover from the Seller the amount of any loss arising from such cancellation. A decision of the Buyer or his nominee to the effect that a breach of the undertaking had been committed shall be final and binding on the Seller. Giving or offering of any gift, bribe or inducement or any attempt at any such act on behalf of the Seller towards any officer/employee of the Buyer or to any other person in a position to influence any officer/employee of the Buyer for showing any favour in relation to this or any other contract, shall render the Seller to such liability/ penalty as the Buyer may deem proper, including but not limited to termination of the contract, imposition of penal damages, forfeiture of the Bank Guarantee and refund of the amounts paid by the Buyer.

5. **Agents / Agency Commission:** The Seller confirms and declares to the Buyer that the Seller is the original manufacturer of the stores/provider of the services referred to in this Contract and has not engaged any individual or firm, whether Indian or foreign whatsoever, to intercede, facilitate or in any way to recommend to the Government of India or any of its functionaries, whether officially or unofficially, to the award of the contract to the Seller; nor has any amount been paid, promised or intended to be paid to any such individual or firm in respect of any such intercession, facilitation or recommendation. The Seller agrees that if it is established at any time to the satisfaction of the Buyer that the present declaration is in any way incorrect or if at a later stage it is discovered by the Buyer that the Seller has engaged any such individual/firm, and paid or intended to pay any amount, gift, reward, fees, commission or consideration to such person, party, firm or institution, whether before or after the signing of this contract, the Seller will be liable to refund that amount to the Buyer. The Seller will also be debarred from entering into any supply Contract with the Government of India for a minimum period of five years. The Buyer will also have a right to consider cancellation of the Contract either wholly or in part, without any entitlement or compensation to the Seller who shall in such an event be liable to refund all payments made by the Buyer in terms of the Contract along with interest at the rate of 2% per annum above LIBOR rate. The Buyer will also have the right to recover any such amount from any contracts concluded earlier with the Government of India.

6. **Access to Books of Accounts:** In case it is found to the satisfaction of the Buyer that the Seller has engaged an Agent or paid commission or influenced any person to obtain the contract as described in clauses relating to Agents/Agency Commission and penalty for use of undue influence, the Seller, on a specific request of the Buyer, shall provide necessary information/ inspection of the relevant financial documents/information.

7. **Non-disclosure of Contract documents:** Except with the written consent of the Buyer/ Seller, other party shall not disclose the contract or any provision, specification, plan, design, pattern, sample or information thereof to any third party.

8. **Liquidated Damages:** In the event of the Seller's failure to submit the Bonds, Guarantees and Documents, supply the stores/goods and conduct trials, installation of equipment, training, etc as specified in this contract, the Buyer may,

at his discretion, withhold any payment until the completion of the contract. The BUYER may also deduct from the SELLER as agreed, liquidated damages to the sum of 0.5% of the contract price of the delayed/undelivered stores/services mentioned above for every week of delay or part of a week, subject to the maximum value of the Liquidated Damages being not higher than 10% of the value of delayed stores.

9. **Termination of Contract:** The Buyer shall have the right to terminate this Contract in part or in full in any of the following cases:-

- (a) The delivery of the material is delayed for causes not attributable to Force Majeure for more than ( \_\_ months) after the scheduled date of delivery.
- (b) The Seller is declared bankrupt or becomes insolvent.
- (c) The delivery of material is delayed due to causes of Force Majeure by more than ( \_months) provided Force Majeure clause is included in contract.
- (d) The Buyer has noticed that the Seller has utilised the services of any Indian/Foreign agent in getting this contract and paid any commission to such individual/company etc.
- (e) With mutual agreement
- (f) As per decision of the Arbitration Tribunal.

10. **Notices:** Any notice required or permitted by the contract shall be written in the English language and may be delivered personally or may be sent by FAX or registered pre-paid mail/airmail or email, addressed to the last known address of the party to whom it is sent.

11. **Transfer and Sub-letting:** The Seller has no right to give, bargain, sell, assign or sublet or otherwise dispose of the Contract or any part thereof, as well as to give or to let a third party take benefit or advantage of the present Contract or any part thereof.

12. **Patents and other Industrial Property Rights:** The prices stated in the present Contract shall be deemed to include all amounts payable for the use of patents, copyrights, registered charges, trademarks and payments for any other industrial property rights. The Seller shall indemnify the Buyer against all claims from a third party at any time on account of the infringement of any or all the rights mentioned in the previous paragraphs, whether such claims arise in respect of manufacture or use. The Seller shall be responsible for the completion of the supplies including spares, tools, technical literature and training aggregates irrespective of the fact of infringement of the supplies, irrespective of the fact of infringement of any or all the rights mentioned above.

13. **Amendments:** No provision of present Contract shall be changed or modified in any way (including this provision) either in whole or in part except by an instrument in writing made after the date of this Contract and signed on behalf of both the parties and which expressly states to amend the present Contract.

14. **Taxes and Duties**

i) **General -**

1. If the Bidder desires to ask for Goods and Services Tax (GST) or Excise Duty or any other tax extra, the same must be specifically stated. In the absence of any

such stipulation, it will be presumed that the prices include all such charges and no claim for the same will be entertained.

2. If reimbursement of any Duty/Tax is intended as extra over the quoted prices, the Bidder must specifically say so. In the absence of any such stipulation it will be presumed that the prices quoted are firm and final and no claim on account of such duty/tax will be entertained after the opening of tenders.

3. If a Bidder chooses to quote a price inclusive of any duty/tax and does not confirm inclusive of such duty/tax so included is firm and final, he should clearly indicate the rate of such duty/tax and quantum of such duty/tax included in the price. Failure to do so may result in ignoring of such offers summarily.

4. If a Bidder is exempted from payment of any duty/tax upto any value of supplies from them, he should clearly state that no such duty/tax will be charged by him up to the limit of exemption which he may have. If any concession is available in regard to rate/quantum of any Duty/tax, it should be brought out clearly. Stipulations like, the said duty/tax was presently not applicable but the same will be charged if it becomes leviable later on, will not be accepted unless in such cases it is clearly stated by a Bidder that such duty/tax will not be charged by him even if the same becomes applicable later on. In respect of the Bidders, who fail to comply with this requirement, their quoted prices shall be loaded with the quantum of such duty/tax which is normally applicable on the item in question for the purpose of comparing their prices with other Bidders.

5. Any change in any duty/tax upward/downward as a result of any statutory variation in excise taking place within contract terms shall be allowed to the extent of actual quantum of such duty/tax paid by the supplier. Similarly, in case of downward revision in any duty/tax, the actual quantum of reduction of such duty/tax shall be reimbursed to the Buyer by the Seller. All such adjustments shall include all reliefs, exemptions, rebates, concession etc. if any obtained by the Seller.

## **ii) Customs Duty –**

1. For imported stores offered against forward delivery, the Bidder shall quote prices thereof exclusive of customs duty. The Bidder shall specify separately the C.I.F. prices and total amount of customs duty payable. They will also indicate correctly the rate of customs duty applicable along with Indian Customs Tariff Number. Customs duty as actually paid will be reimbursed on production of necessary documents i.e. (i) Triplicate copy of the bill of entry; (ii) copy of bill of lading; (iii) a copy of foreign principal's invoice. However, if the Bidder imports the stores in question against his own commercial quota Import Licences, he will also be required to submit in addition the triplicate copy of bills of entry etc. a certificate from his Internal Auditor on the bill itself, to the effect that the following items/quantity in the bill of entry related to the stores imported against Buyer contract number dated.....

2. Subsequent to the reimbursement of customs duty, the Bidder will submit to the concerned Payment Authority a certificate to the effect that he has not obtained any refund of customs duty subsequent to the payment of duty to the Customs authority by him. In addition, he shall also submit to the Paying Authority concerned a certificate immediately after a period of three months from the date of payment of the duty to customs authorities to the effect that he has not applied for

refund of the customs duty subsequent to the payment of duty to the customs authorities by him.

3. In case the Bidder obtains any refund of customs duty, subsequently to the payment of the same by him to the customs authorities and reimbursement of the customs duty to him by the Payment Authority, he should forthwith furnish the details of the refund obtained and afford full credit of the same to the Buyer.

**iii) Excise Duty**

1. Where the excise duty is payable on advalorem basis, the Bidder should submit along with the tender, the relevant form and the Manufacturer's price list showing the actual assessable value of the stores as approved by the Excise authorities.

2. Bidders should note that in case any refund of excise duty is granted to them by Excise authorities in respect of Stores supplied under the contract, they will pass on the credit to the Buyer immediately along with a certificate that the credit so passed on relates to the Excise Duty, originally paid for the stores supplied under the contract. In case of their failure to do so, within 10 days of the issue of the excise duty refund orders to them by the Excise Authorities the Buyer would be empowered to deduct a sum equivalent to the amount refunded by the Excise Authorities without any further reference to them from any of their outstanding bills against the contract or any other pending Government Contract and that no disputes on this account would be raised by them.

3. The Seller is also required to furnish to the Paying Authority the following certificates:

(a) Certificate with each bill to the effect that no refund has been obtained in respect of the reimbursement of excise duty made to the Seller during three months immediately preceding the date of the claim covered by the relevant bill.

(b) Certificate as to whether refunds have been obtained or applied for by them or not in the preceding financial year after the annual Audit of their accounts also indicating details of such refunds/applications, if any.

(c) A certificate along with the final payment bills of the Seller to the effect whether or not they have any pending appeal/protest for refund or partial refund of excise duties already reimbursed to the Seller by the Government pending with the Excise authorities and if so, the nature, the amount involved, and the position of such appeals.

(d) An undertaking to the effect that in case it is detected by the Government that any refund from Excise Authority was obtained by the Seller after obtaining reimbursement from the Paying Authority, and if the same is not immediately refunded by the Seller to the Paying Authority giving details and particulars of the transactions, Paying Authority will have full authority to recover such amounts from the Seller's outstanding bills against that particular contract or any other pending Government contracts and that no dispute on this account would be raised by the Seller.

4. Unless otherwise specifically agreed to in terms of the contract, the Buyer shall not be liable for any claim on account of fresh imposition and/or increase of



Excise Duty on raw materials and/or components used directly in the manufacture of the contracted stores taking place during the pendency of the contract.

**iv) Goods and Services Tax (GST)**

1. If it is desired by the Bidder to ask for GST to be paid as extra, the same must be specifically stated. In the absence of any such stipulation in the bid, it will be presumed that the prices quoted by the Bidder are inclusive of GST and no liability of GST will be developed upon the Buyer.

2. On the Bids quoting GST extra, the rate and the nature of GST applicable at the time of supply should be shown separately. GST will be paid to the Seller at the rate at which it is liable to be assessed or has actually been assessed provided the transaction of sale is legally liable to GST and the same is payable as per the terms of the contract.

**v) Octroi Duty & Local Taxes**

1. Normally, materials to be supplied to Government Departments against Government Contracts are exempted from levy of town duty, Octroi Duty, Terminal Tax and other levies of local bodies. The local Town/Municipal Body regulations at times, however, provide for such Exemption only on production of such exemption certificate from any authorised officer. Seller should ensure that stores ordered against contracts placed by this office are exempted from levy of Town Duty/Octroi Duty, Terminal Tax or other local taxes and duties. Wherever required, they should obtain the exemption certificate from the Buyer, to avoid payment of such local taxes or duties.

2. In case where the Municipality or other local body insists upon payment of these duties or taxes the same should be paid by the Seller to avoid delay in supplies and possible demurrage charges. The receipt obtained for such payment should be forwarded to the Buyer without delay together with a copy of the relevant act or bylaws/notifications of the Municipality of the local body concerned to enable him to take up the question of refund with the concerned bodies if admissible under the said acts or rules.

**15. Pre-Contract Integrity Pact**

An “Integrity Pact” would be signed between the Buyer and the Bidder for purchases / Contracts of **₹ 40 crores** and above. This is a binding agreement between the Buyer and Bidders for specific contracts in which the Buyer promises that it will not accept bribes during the procurement process and Bidders promise that they will not offer bribes. Under this Pact, the Bidders for specific services or contracts agree with the Buyer to carry out the procurement in a specified manner.

The essential elements of the Pact are as follows:

- a. A pact (contract) between the Government of India (the authority or the “principal”) and those companies submitting a tender for this specific activity (the “Bidder”);
- b. An undertaking by the Principal that its officials will not demand or accept

any bribes, gifts etc., with appropriate disciplinary or criminal sanctions in case of violation;

- c. A statement by each Bidder that it has not paid, and will not pay, any bribes;
- d. An undertaking by each Bidder to disclose all payments made in connection with the Contract in question to anybody (including agents and other middlemen as well as family members, etc., of officials); the disclosure would be made either at the time of submission of Bids or upon demand of the Principal, especially when a suspicion of a violation by that Bidder emerges;
- e. The explicit acceptance by each Bidder that the no-bribery commitment and the disclosure obligation as well as the attendant sanctions remain in force for the winning Bidder until the contract has been fully executed.
- f. Undertaking on behalf of a Bidding company will be made “in the name and on behalf of the company’s Chief Executive Officer”.
- g. The following set of sanctions shall be enforced for any violation by a Bidder of its commitments or undertakings:
  - i. Denial or loss of contracts;
  - ii. Forfeiture of the Bid security and performance bond;
  - iii. Liability for damages to the principal and the competing Bidders; and
  - iv. Debarment of the violator by the Principal for an appropriate period of time.
- h. Bidders are also advised to have a company code of conduct (clearly rejecting the use of bribes and other unethical behaviour and compliance program for the implementation of the code of conduct throughout the company.

#### **Part IV – Special Conditions of RFP**

The Bidder is required to give confirmation of their acceptance of Special Conditions of the RFP mentioned below which will automatically be considered as part of the Contract concluded with the successful Bidder (i.e. Seller in the Contract) as selected by the Buyer. Failure to do so may result in rejection of Bid submitted by the Bidder.

**1. Performance Guarantee:** The Bidder will be required to furnish a Performance Guarantee by way of Bank Guarantee through a public sector bank or a private sector bank authorized to conduct government business for a sum equal to 10% of the contract value within 30 days of receipt of the confirmed order. Performance Bank Guarantee should be valid up to 60 days beyond the date of warranty. The specimen of PBG is given in Appendix - N of the Procurement Manual (can be provided on request).

**2. Option Clause:** The contract will have an Option Clause, wherein the Buyer can exercise an option to procure an additional 50% of the original contracted quantity in accordance with the same terms & conditions of the present contract. This will be applicable within the currency of contract. The Bidder is to confirm the acceptance of the same for inclusion in the contract. It will be entirely the discretion of the Buyer to exercise this option or not.

**3. Repeat Order Clause:** The contract will have a Repeat Order Clause, wherein the Buyer can order upto 50% quantity of the items under the present contract within six months from the date of supply/successful completion of this

contract, the cost, terms & conditions remaining the same. The Bidder is to confirm acceptance of this clause. It will be entirely the discretion of the Buyer to place the Repeat order or not.

**4. Tolerance Clause:** To take care of any change in the requirement during the period starting from issue of RFP till placement of the contract, Buyer reserves the right to \_\_\_% plus/minus increase or decrease the quantity of the required goods upto that limit without any change in the terms & conditions and prices quoted by the Seller. While awarding the contract, the quantity ordered can be increased or decreased by the Buyer within this tolerance limit.

**5. Payment Terms for Sellers:** It will be mandatory for the Bidders to indicate their bank account numbers and other relevant e-payment details so that payments could be made through ECS/ /NEFT/RTGS mechanism instead of payment through cheques, wherever feasible. A copy of the model mandate form prescribed by RBI to be submitted by Bidders for receiving payments through ECS/ /NEFT/RTGS can be given on request. The payment will be made as per the following terms, on production of the requisite documents:

- a. 95% Payment against Inspection note, Proof of despatch, duly supported by Xerox copy of the Bank Guarantee and against Consignee's provisional receipt. Balance of 5% will be paid on receipt of items in good condition by consignee(s) along with user's certificate of complete Installation & successful commissioning OR
- b. 100% payment on delivery and acceptance by the user. OR
- c. Stage-wise payments (To be defined as per complexity of case) OR
- d. Quarterly payments on submission of User clearance certificate in respect of AMC contracts.

**6. Advance Payments:** No advance payment(s) would be made OR

Advance payments may be made upto \_\_\_ against appropriate Bank guarantee or any authorised guarantee, as acceptable to the Buyer. The specimen of BG for Advance Payments is given in Appendix - O of the Procurement Manual and can be provided on request.

**7. Paying Authority:**

**Sellers:** (Name and address, contact details). The payment of bills will be made on submission of the following documents by the Seller to the Paying Authority along with the bill:

- i. Ink-signed copy of contingent bill / Seller's bill.
- ii. Ink-signed copy of Commercial invoice / Seller's bill.
- iii. Copy of Supply Order/Contract with U.O. number and date of IFA's concurrence, where required under delegation of powers.
- iv. CRVs in duplicate.
- v. Inspection note.
- vi. Claim for statutory and other levies to be supported with requisite documents / proof of payment such as GST Challan, VAT challan, Excise duty challan, Customs duty clearance certificate, Octroi receipt, proof of payment for EPF/ESIC contribution with nominal roll of beneficiaries, etc as applicable.
- vii. Exemption certificate for Excise duty / Customs duty, if applicable.

- viii. Bank guarantee for advance, if any.
- ix. Guarantee / Warranty certificate.
- x. Performance Bank guarantee / Indemnity bond where applicable.
- xi. DP extension letter with CFA's sanction number and date of DDG (F)'s concurrence, indicating whether extension is with or without LD.
- xii. Details for electronic payment viz. Account holder's name, Bank name, Branch name and address, Account type, Account number, IFSC code, MICR code (if these details are not incorporated in supply order/contract).
- xiii. Any other document / certificate that may be provided for in the Supply Order / Contract.
- xiv. User Acceptance.
- xv. Xerox copy of PBG.

*(Note – From the above list, the documents that may be required depending upon the peculiarities of the procurement being undertaken, may be included in RFP)*

**8. Fall clause:** The following Fall clause will form part of the contract placed on successful Bidder -

a. The price charged for the stores supplied under the contract by the Seller shall in no event exceed the lowest prices at which the Seller sells the stores or offer to sell stores of identical description to any persons/Organisation including the purchaser or any department of the Central government or any Department of state government or any statutory undertaking the central or state government as the case may be during the period till performance of all supply Orders placed during the currency of the rate contract is completed.

b. If at any time, during the said period the Seller reduces the sale price, sells or offer to sell such stores to any person/organisation including the Buyer or any Deptt, of central Govt. or any Department of the State Government or any Statutory undertaking of the Central or state Government as the case may be at a price lower than the price chargeable under the contract, the Seller shall forthwith notify such reduction or sale or offer of sale to the Buyer and the price payable under the contract for the stores of such reduction of sale or offer of the sale shall stand correspondingly reduced. The above stipulation will, however, not apply to:--

- i. Exports by the Seller.
- ii. Sale of goods as original equipment at price lower than lower than the prices charged for normal replacement.
- iii. Sale of goods such as drugs which have expiry dates.
- iv. Sale of goods at lower price on or after the date of completion of sale/placement of the order of goods by the authority concerned under the existing or previous Rate Contracts as also under any previous contracts entered into with the Central or State Govt. Depts, including their undertakings excluding joint sector companies and/or private parties and bodies.

c. The Seller shall furnish the following certificate to the Paying Authority along with each bill for payment for supplies made against the Rate contract – “We certify that there has been no reduction in sale price of the stores of description identical to the stores supplied to the Government under the contract herein and such stores have not been offered/sold by me/us to any person/organisation

including the purchaser or any department of Central Government or any Department of a state Government or any Statutory Undertaking of the Central or state Government as the case may be upto the date of bill/the date of completion of supplies against all supply orders placed during the currency of the Rate Contract at price lower than the price charged to the government under the contract except for quantity of stores categories under sub-clauses (b.i, b.ii, b.iii and b.iv) above.”

**9. Risk & Expense clause:**

1. Should the stores or any installment thereof not be delivered within the time or times specified in the contract documents, or if defective delivery is made in respect of the stores or any installment thereof, the Buyer shall after granting the Seller 45 days to cure the breach, be at liberty, without prejudice to the right to recover liquidated damages as a remedy for breach of contract, to declare the contract as cancelled either wholly or to the extent of such default.

2. Should the stores or any installment thereof not perform in accordance with the specifications / parameters provided by the SELLER during the check proof tests to be done in the BUYER’s country, the BUYER shall be at liberty, without prejudice to any other remedies for breach of contract, to cancel the contract wholly or to the extent of such default.

3. In case of a material breach that was not remedied within 45 days, the BUYER shall, having given the right of first refusal to the SELLER be at liberty to purchase, manufacture, or procure from any other source as he thinks fit, other stores of the same or similar description to make good:-

a. Such default.

b. In the event of the contract being wholly determined the balance of the stores remaining to be delivered thereunder.

4. Any excess of the purchase price, cost of manufacturer, or value of any stores procured from any other supplier as the case may be, over the contract price appropriate to such default or balance shall be recoverable from the SELLER. Such recoveries shall not exceed \_\_\_ % of the value of the contract.”

**10. Force Majeure clause:**

a. Neither party shall bear responsibility for the complete or partial nonperformance of any of its obligations (except for failure to pay any sum which has become due on account of receipt of goods under the provisions of the present contract), if the non-performance results from such Force Majeure circumstances as Flood, Fire, Earth Quake and other acts of God as well as War, Military operation, blockade, Acts or Actions of State Authorities or any other circumstances beyond the parties control that have arisen after the conclusion of the present contract.

b. In such circumstances the time stipulated for the performance of an obligation under the present contract is extended correspondingly for the period of time of action of these circumstances and their consequences.

c. The party for which it becomes impossible to meet obligations under this contract due to Force Majeure conditions, is to notify in written form the other party of the beginning and cessation of the above circumstances immediately, but in any case not later than 10 (Ten) days from the moment of their beginning.

d. Certificate of a Chamber of Commerce (Commerce and Industry) or other competent authority or organization of the respective country shall be a sufficient proof of commencement and cessation of the above circumstances.

e. If the impossibility to complete or partial performance of an obligation lasts for more than 6 (six) months, either party hereto reserves the right to terminate the contract totally or partially upon giving prior written notice of 30 (thirty) days to the other party of the intention to terminate without any liability other than reimbursement on the terms provided in the agreement for the goods received.

**11. Buy-Back offer** - Buyer is interested to trade the existing old goods while purchasing the new ones. Bidders may formulate and submit their tenders accordingly. Interested Bidders can inspect the old goods to be traded through this transaction. Buyer reserves its right to trade or not to trade the old goods while purchasing the new ones and the Bidders are to frame their bids accordingly covering both the options. Details for buy-back offer are as under –

a. Details of Items for buy-back scheme – Make/ Model, Specs, Year of Production/Purchase, Period of Warranty/AMC, etc.

b. Place for inspection of old items – Address, Telephone, Fax, e-mail, Contact personnel, etc.

c. Timings for Inspection – All weekdays between \_\_\_ to \_\_\_.

d. Last date for inspection – 1 day before the last date of submission of bids.

e. Period of handing over old items to successful bidder – Within 15 days of placement of order.

f. Handling charges and transportation expenses to take out the old items will be on account of the successful bidder.

**12. Specification:** The following Specification clause will form part of the contract placed on successful Bidder

- The Seller guarantees to meet the specifications as per Part-II of RFP and to incorporate the modifications to the existing design configuration to meet the specific requirement of the Buyer Services as per modifications/requirements recommended after the Maintenance Evaluation Trials, if any. All technical literature and drawings shall be amended as the modifications by the Seller before supply to the Buyer. The Seller, in consultation with the Buyer, may carry out technical up-gradation/alterations in the design, drawings and specifications due to change in manufacturing procedures, indigenisation or obsolescence. This will, however, not in any way, adversely affect the end specifications of the equipment. Changes in technical details, drawings repair and maintenance techniques along with necessary tools as a result of up-gradation / alterations will be provided to the Buyer free of cost within ( ) days of affecting such up-gradation/alterations.

**13. OEM Certificate:** In case the Bidder is not the OEM, the agreement certificate with the OEM for sourcing the spares shall be mandatory. However, where OEMs do not exist, minor aggregates and spares can be sourced from authorized vendors subject to quality certification.

**14. Earliest Acceptable Year of Manufacture** Quality / Life certificate will need to be enclosed with the Bill.

**15. Buyer Furnished Equipment:** The following equipment will be provided by the Buyer at his expense to the Seller:.....

**16. Transportation:** A Transportation clause, on the following lines, will form part of the contract placed on the successful Bidder –

The stores shall be delivered at (destination). Seller will bear the costs and freight necessary to bring the goods to the destination. The Seller also has to procure all necessary insurance against the Buyer's risk of loss of or damage to goods during the carriage. The Seller will contract for insurance and pay the insurance premium. No part shipment of goods would be permitted. Trans-shipment of goods would not be permitted. In case it becomes inevitable to do so, the Seller shall not arrange part-shipments and/or transshipment without the express/prior written consent of the Buyer.

**17. Packing and Marking:** The following Packing and Marking clause will form part of the contract placed on successful Bidder –

a. The Seller shall provide packing and preservation of the equipment and spares/goods contracted so as to ensure their safety against damage in the conditions of land, sea and air transportation, trans-shipment, storage and weather hazards during transportation, subject to proper cargo handling. The Seller shall ensure that the stores are packed in containers, which are made sufficiently strong, and with seasoned wood. The packing cases should have hooks for lifting by crane/fork lift truck. Tags with proper marking shall be fastened to the special equipment, which cannot be packed.

b. The packing of the equipment and spares/goods shall conform to the requirements of specifications and standards in force in the territory of the Seller's country.

c. Each spare, tool and accessory shall be packed in separate cartons. A label in English shall be pasted on the carton indicating the under mentioned details of the item contained in the carton. A tag in English with said information shall also be attached to six samples of the item. If quantity contracted is less than six then tag shall be affixed to complete quantity contracted of the item. The cartons shall then be packed in packing cases as required.

- i. Part Number:
- ii. Nomenclature:
- iii. Contract annex number:
- iv. Annex serial number:
- v. Quantity contracted:

d. One copy of the packing list in English shall be inserted in each cargo package, and the full set of the packing lists shall be placed in Case No.1 painted in a yellow colour.

e. The Seller shall mark each package with indelible paint in the English language as follows:-

- i. Contract No.
- ii. Consignee
- iii. Place of destination
- iv. Ultimate consignee
- v. SELLER
- vi. Package No.
- vii. Gross/net weight

- viii. Overall dimensions/volume
- ix. The Seller's marking.
- f. If necessary, each package shall be marked with warning inscriptions: <Top>, "Do not turn over", category of cargo etc.
- g. Should any special equipment be returned to the Seller by the Buyer, the latter shall provide normal packing, which protects the equipment and spares/goods from the damage of deterioration during transportation by land, air or sea. In this case the Buyer shall finalize the marking with the Seller.

**18. Quality:** The quality of the stores delivered according to the present Contract shall correspond to the technical conditions and standards valid for the deliveries of the same stores for in Seller's country or specifications enumerated as per RFP and shall also include therein modification to the stores suggested by the Buyer. Such modifications will be mutually agreed to. The Seller confirms that the stores to be supplied under this Contract shall be new i.e. not manufactured before (Year of Contract), and shall incorporate all the latest improvements and modifications thereto and spares of improved and modified equipment are backward integrated and interchangeable with same equipment supplied by the Seller in the past if any. The Seller shall supply an interchangeability certificate along with the changed part numbers wherein it should be mentioned that item would provide as much life as the original item.

**19. Quality Assurance:** Seller would provide the User Acceptance Test (UAT) Report within \_\_\_ month of this date of contract. Buyer reserves the right to modify the (UAT). Seller would be required to provide all test facilities at his premises for acceptance and inspection by Buyer, if the nature of goods and the terms of the supply so warrant. The details in this regard will be coordinated during the negotiation of the contract. The item should be of the latest manufacture, conforming to the current production standard and having 100% defined life at the time of delivery.

**20. Inspection Authority:** The Inspection will be carried out by \_ \_\_. The mode of Inspection will be Departmental Inspection / User Inspection / Joint Inspection / Self-certification. (*as applicable*)

**21. Pre-Dispatch Inspection -** The following Pre-dispatch Inspection clause will form part of the contract placed on successful Bidder -

a. The Buyer's representatives will carry out Pre-Dispatch Inspection (PDI) of the stores/equipment in order to check their compliance with specifications in accordance with its usual standard procedures, if any. Upon successful completion of such PDI, the Seller and Buyer will issue and sign a Certificate of Conformity as per the specimen which can be given on request.

b. The Seller shall intimate the Buyer at least 45 days before the scheduled date of PDI. The time required for completing visa formalities by the Seller should not be included in this notice. The Buyer will send his authorised representative(s) to attend the PDI.

c. The list of Buyer's representatives together with their particulars including name, title, date and place of birth, passport numbers including date of issue and date of expiry, address, etc. must be communicated by the Buyer at least (No of days) in advance to apply for the necessary authorisations and clearances to be granted.



- d. The Buyer reserves the right not to attend the PDI or to request for postponement of the beginning of the PDI by a maximum of fifteen (15) days from the date fixed for such PDI in order to allow his representative(s) to attend such tests, in which cases he shall inform in writing the Seller within 15 days before the date of the beginning of the PDI. Should the Buyer request for such postponement, liquidated damages, if any, shall not apply. In case the Buyer informs the Seller within the period mentioned hereinabove that he cannot attend the PDI or in case the Buyer does not come at the postponed date requested by him for performance of the PDI as mentioned above, the Seller shall be entitled to carry out said tests alone as scheduled. The Certificate of Conformity and the UAT will be signed by the Seller's QA representative alone and such documents bearing the sole signature of the Seller's QA representative shall have the same value and effect as if they have been signed by both the parties. In case Buyer does not elect to attend the PDI, the Buyer shall intimate the Seller in writing that it does not wish to attend the PDI.
- e. The Seller shall provide all reasonable facilities, access and assistance to the Buyer's representative for safety and convenience in the performance of their duties in the Seller's country.
- f. All costs associated with the stay of the Buyer's Representative(s) in the country where the PDI is to be carried out, including travel expenses, boarding and lodging, accommodation, daily expenses, shall be borne by the Buyer.
- g. The Seller shall provide UAT format to the Buyer's QA Agency within one month from the signing of the Contract.

**22. Franking clause:** The following Franking clause will form part of the contract placed on successful bidder-

- a. **Franking Clause in the case of Acceptance of Goods** "The fact that the goods have been inspected after the delivery period and passed by the Inspecting Officer will not have the effect of keeping the contract alive. The goods are being passed without prejudice to the rights of the Buyer under the terms and conditions of the contract".
- b. **Franking Clause in the case of Rejection of Goods** "The fact that the goods have been inspected after the delivery period and rejected by the Inspecting Officer will not bind the Buyer in any manner. The goods are being rejected without prejudice to the rights of the Buyer under the terms and conditions of the contract."

**23. Claims:** The following Claims clause will form part of the contract placed on successful Bidder –

- a. The claims may be presented either: (a) on quantity of the stores, where the quantity does not correspond to the quantity shown in the Packing List/Insufficiency in packing, or (b) on quality of the stores, where quality does not correspond to the quality mentioned in the contract.
- b. The quantity claims for deficiency of quantity shall be presented within 45 days of acceptance of goods.
- c. The quality claims for defects or deficiencies in quality noticed acceptance of goods. Quality claims shall be presented for defects or deficiencies in quality noticed during warranty period earliest but not later than 45 days after expiry of the guarantee period.
- d. The description and quantity of the stores are to be furnished to the Seller

along with concrete reasons for making the claims. Copies of all the justifying documents shall be enclosed to the presented claim. The Seller will settle the claims within 45 days from the date of the receipt of the claim at the Seller's office, subject to acceptance of the claim by the Seller. In case no response is received during this period the claim will be deemed to have been accepted.

e. The Seller shall collect the defective or rejected goods from the location nominated by the Buyer and deliver the repaired or replaced goods at the same location under Seller's arrangement.

f. Claims may also be settled by reduction of cost of goods under claim from bonds submitted by the Seller or payment of claim amount by Seller through demand draft drawn on an Indian Bank, in favour of the Buyer

g. The quality claims will be raised solely by the Buyer and without any certification/countersignature by the Seller's representative.

#### **24. Warranty:**

a. The following Warranty will form part of the contract placed on the successful Bidder –

i. Except as otherwise provided in the invitation tender, the Seller hereby declares that the goods, stores articles sold/supplied to the Buyer under this contract shall be of the best quality and workmanship and new in all respects and shall be strictly in accordance with the specification and particulars contained/mentioned in contract. The Seller hereby guarantees that the said goods/stores/articles would continue to conform to the description and quality aforesaid for a period of 12 months from the date of delivery of the said goods stores/articles to the Buyer or 15 months from the date of shipment/despatch from the Seller's works whichever is earlier and that notwithstanding the fact that the Buyer may have inspected and/or approved the said goods/stores/articles, if during the aforesaid period of 12/15 months the said goods/stores/articles be discovered not to conform to the description and quality aforesaid not giving satisfactory performance or have deteriorated, and the decision of the Buyer in that behalf shall be final and binding on the Seller and the Buyer shall be entitled to call upon the Seller to rectify the goods/stores/articles or such portion thereof as is found to be defective by the Buyer within a reasonable period, or such specified period as may be allowed by the Buyer in his discretion on application made thereof by the Seller, and in such an event, the above period shall apply to the goods/stores/articles rectified from the date of rectification mentioned in warranty thereof, otherwise the Seller shall pay to the Buyer such compensation as may arise by reason of the breach of the warranty therein contained.

ii. Guarantee that they will supply spare parts, if and when required on agreed basis for an agreed price. The agreed basis could be and including but without any limitation an agreed discount on the published catalogue or an agreed percentage of profit on the landed cost.

iii. Warranty to the effect that before going out of production for the spare parts they will give adequate advance notice to the Buyer of the equipment so that the latter may undertake the balance of the lifetime requirements.

iv. Warranty to the affect that they will make available the blue prints of drawings of the spares if and when required in connection with the main equipment.

**OR**

b. The following Warranty will form part of the contract placed on successful Bidder –

i. The Seller warrants that the goods supplied under the contract conform to technical specifications prescribed and shall perform according to the said technical specifications.

ii. The Seller warrants for a period of \_\_ months from the date of acceptance of stores or date of installation and commissioning, whichever is later, that the goods/stores supplied under the contract and each component used in the manufacture thereof shall be free from all types of defects/failures.

iii. If within the period of warranty, the goods are reported by the Buyer to have failed to perform as per the specifications, the Seller shall either replace or rectify the same free of charge, within a maximum period of 45 days of notification of such defect received by the Seller, provided that the goods are used and maintained by the Buyer. Warranty of the equipment would be extended by such duration of downtime. Record of the down time would be maintained by the user in the logbook. Spares required for warranty repairs shall be provided free of cost by the Seller. The Seller also undertakes to diagnose, test, adjust, calibrate and repair/replace the goods/equipment arising due to accidents by neglect or misuse by the operator or damage due to transportation of the goods during the warranty period, at the cost mutually agreed to between the Buyer and the Seller.

iv. The Seller also warrants that necessary service and repair back up during the warranty period of the equipment shall be provided by the Seller and he will ensure that the downtime is within % of the warranty period.

v. The Seller shall associate technical personnel of the Maintenance and Quality Assurance Division of the Buyer during warranty repair and shall also provide the details of complete defects, reasons and remedial actions for defects.

vi. If a particular equipment/goods fails frequently and/or, the cumulative down time exceeds \_ % of the warranty period, the complete equipment shall be replaced free of cost by the Seller within a stipulated period of \_\_ days of receipt of the notification from the Buyer. Warranty of the replaced equipment would start from the date of acceptance by the Buyer/date of installation and commissioning.

vii. The Seller will guarantee the shelf life of (\_\_) years under the Indian tropical condition as given below:

1. Minimum temperature -
2. Maximum temperature -
3. Average Humidity -

**25. Product Support:** The following Product Support clause will form part of the contract placed on successful Bidder –

a. The Seller agrees to provide Product Support for the stores, assemblies/subassemblies, fitment items and consumables, Special Maintenance Tools(SMT)/Special Test Equipments (STE) subcontracted from other agencies/manufacturer by the Seller for a maximum period of \_\_ years including \_\_ years of warranty period after the delivery of \_\_ (name of equipment).

b. The Seller agrees to undertake Maintenance Contract for a maximum period of \_\_ months.

c. In the event of any obsolescence during the above mentioned period of product support in respect of any component or sub-system, mutual consultation between the Seller and Buyer will be undertaken to arrive at an acceptable solution including additional cost, if any.

d. Any improvement/modification/ up gradation being undertaken by the Seller or their sub suppliers on the stores/equipment being purchased under the Contract will be communicated by the Seller to the Buyer and, if required by the Buyer, these will be carried out by the Seller at Buyer's cost.

e. The SELLER agrees to undertake the repair and maintenance of the equipment, SMTs/STEs test set up, assemblies/sub-assemblies and stores supplied under this contract for a period of \_\_\_ years as maintenance contract as specified to the Buyer, as per terms and conditions mutually agreed between the Seller and the Buyer.

**26. Annual Maintenance Contract (AMC) Clause:** The following AMC clause will form part of the contract placed on successful Bidder -

a. The Seller would provide comprehensive AMC for a period of \_ years. The AMC services should cover the repair and maintenance of all the equipment and systems purchased under the present Contract. The Buyer Furnished Equipment which is not covered under the purview of the AMC should be separately listed by the Seller. The AMC services would be provided in two distinct ways:

i. **Preventive Maintenance Service:** The Seller will provide a minimum of four Preventive Maintenance Service visits during a year to carry out functional check-ups and minor adjustments/ tuning as may be required.

ii. **Breakdown maintenance Service:** In case of any breakdown of the equipment/system, on receiving a call from the Buyer, the Seller is to provide maintenance service to make the equipment/system serviceable.

b. Response time: The response time of the Seller should not exceed ..... hours from the time the breakdown intimation is provided by the Buyer.

c. Serviceability of \_\_\_% per year is to be ensured. This amounts to total maximum downtime of \_\_\_days per year. Also unavailability should not exceed \_ days at one time. Required spares to attain this serviceability may be stored at site by the Seller at his own cost. Total down time would be calculated at the end of the year. If downtime exceeds permitted downtime, LD would be applicable for the delayed period.

d. Maximum repair turnaround time for equipment/system would be \_ days. However, the spares should be maintained in a serviceable condition to avoid complete breakdown of the equipment/system.

e. Technical Documentation: All necessary changes in the documentation (Technical and Operators manual) for changes carried out on hardware and software of the equipment will be provided.

f. During the AMC period, the Seller shall carry out all necessary servicing/repairs to the equipment/system under AMC at the current location of the equipment/system. Prior permission of the Buyer would be required in case certain components/sub systems are to be shifted out of location. On such occasions, before taking over the goods or components, the Seller will give suitable bank guarantee to the Buyer to cover the estimated current value of item being taken.

g. The Buyer reserves its right to terminate the maintenance contract at any

time without assigning any reason after giving a notice of \_ months. The Seller will not be entitled to claim any compensation against such termination. However, while terminating the contract, if any payment is due to the Seller for maintenance services already performed in terms of the contract, the same would be paid to it as per the contract terms.

**27. Price Variation (PV) Clause:** The following PV clause will form part of the contract placed on successful Bidder (*Note - DGS&D Manual provides Standardised Price Variation Clauses. Any of those clauses could be considered for inclusion. A sample clause is indicated below*)–

a. 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%.

That portion of the price represented by the fixed element, will not be 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:-  $P1 = Po \{F + a (M_1/M_0) + b (L_1/L_0) - Po\}$  where:

P1 is then adjustment amount payable to the supplier (a minus figure will indicate a reduction in the Contract Price)

Po is the Contract Price at the base level.

F is the Fixed element 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.

Lo and L1 are the wage indices at the base month and year and at the month and year of calculation respectively.

Mo and M1 are the material indices at the base month and year and at the month and year of calculation respectively.

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 . Where price variation clause has to be provided for services (with insignificant inputs of materials) as for example, in getting Technical Assistance normally paid in the form of per diem rates, the price variation formula should have only two elements, viz. a high fixed element and a labour element. The fixed element can in such cases be 50% or more, depending on the mark-up by the supplier of the Per Diem rate vis-a-vis the wage rates.

b. Following conditions would be applicable to Price Adjustment –

i. Base dates shall be due dates of opening of price bids.

- ii. Date of adjustment shall be mid point of manufacture.
- iii. No price increase is allowed beyond original DP unless the delay is attributable to the Buyer.
- iv. Total adjustment will be subject to maximum ceiling of \_ \_%.
- v. No price adjustment shall be payable on the portion of contract price paid to the Seller as an advance payment.

## **Part V – Evaluation Criteria & Price Bid issues**

1. **Evaluation Criteria:** The broad guidelines for evaluation of Bids will be as follows:

a. Only those Bids will be evaluated which are found to be fulfilling all the eligibility and qualifying requirements of the RFP, both technically and commercially.

b. In respect of Two-Bid system, the technical Bids forwarded by the Bidders will be evaluated by the Buyer with reference to the technical characteristics of the equipment as mentioned in the RFP. The compliance of Technical Bids would be determined on the basis of the parameters specified in the RFP. The Price Bids of only those Bidders will be opened whose Technical Bids would clear the technical evaluation.

c. The Lowest Bid will be decided upon the lowest price quoted by the particular Bidder as per the Price Format given at Para 2 below. The consideration of taxes and duties in evaluation process will be as follows:

i. In cases where only indigenous Bidders are competing, all taxes and duties (including those for which exemption certificates are issued) quoted by the Bidders will be considered. The ultimate cost to the Buyer would be the deciding factor for ranking of Bids.

ii. In cases where both foreign and indigenous Bidders are competing, following criteria would be followed –

1. In case of foreign Bidders, the basic cost (CIF) quoted by them would be the basis for the purpose of comparison of various tenders.

2. In case of indigenous Bidders, excise duty on fully formed equipment would be offloaded.

3. Sales tax and other local levies, i.e. octroi, entry tax etc would be ignored in case of indigenous Bidders.

d. The Bidders are required to spell out the rates of Customs duty, Excise duty, VAT, GST, etc in unambiguous terms; otherwise their offers will be loaded with the maximum rates of duties and taxes for the purpose of comparison of prices. If reimbursement of Customs duty / Excise Duty / VAT /GST is intended as extra, over the quoted prices, the Bidder must specifically say so. In the absence of any such stipulation it will be presumed that the prices quoted are firm and final and no claim on account of such duties will be entailed after the opening of tenders. If a Bidder chooses to quote a price inclusive of any duty and does not confirm inclusive of such duty so included is firm and final, he should clearly indicate the rate of such duty and quantum of excise duty included in the price. Failure to do so may result in ignoring of such offers summarily. If a Bidder is exempted from payment of Customs duty / Excise Duty / VAT /GST upto any value of supplies from them,

they should clearly state that no excise duty will be charged by them up to the limit of exemption which they may have. If any concession is available in regard to rate/quantum of Customs duty / Excise Duty / VAT /GST, it should be brought out clearly. Stipulations like, excise duty was presently not applicable but the same will be charged if it becomes leviable later on, will not be accepted unless in such cases it is clearly stated by a Bidder that excise duty will not be charged by him even if the same becomes applicable later on. In respect of the Bidders who fail to comply with this requirement, their quoted prices shall be loaded with the quantum of excise duty which is normally applicable on the item in question for the purpose of comparing their prices with other Bidders. The same logic applies to Customs duty and VAT also.

e. In import cases, all the foreign quotes will be brought to a common denomination in Indian Rupees by adopting the exchange rate as BC Selling rate of the State Bank of India on the date of the opening of Price Bids.

f. If there is a discrepancy between the unit price and the total price that is obtained by multiplying the unit price and quantity, the unit price will prevail and the total price will be corrected. If there is a discrepancy between words and figures, the amount in words will prevail for calculation of price.

g. The Buyer reserves the right to evaluate the offers received by using Discounted Cash Flow method at a discounting rate of \_\_%. In case cash flow involves more than one currency, the same will be brought to a common denomination in Indian Rupees by adopting exchange rate as BC Selling rate of the State Bank of India on the date of the opening of Price Bids.

h. The Lowest Acceptable Bid will be considered further for placement of contract / Supply Order after complete clarification and price negotiations as decided by the Buyer. The Buyer will have the right to award contracts to different Bidders for being lowest in particular items. The Buyer also reserves the right to do Apportionment of Quantity, if it is convinced that Lowest Bidder is not in a position to supply full quantity in stipulated time.

i. Any other criteria as applicable to suit a particular case.

**2. Price Bid Format:** The Price Bid Format is given below and Bidders are required to fill this up correctly with full details:

a. Basic cost of the item/items:

Item	Unit price	Qty	Total
------	------------	-----	-------

- |      |                                      |  |  |
|------|--------------------------------------|--|--|
| i.   | A                                    |  |  |
| ii.  | B                                    |  |  |
| iii. | C                                    |  |  |
| iv.  | Total of Basic Price                 |  |  |
| b.   | Accessories                          |  |  |
| c.   | Installation / Commissioning charges |  |  |
| d.   | Training                             |  |  |
| e.   | Technical literature                 |  |  |
| f.   | Tools                                |  |  |
| g.   | AMC with spares                      |  |  |
| h.   | AMC without spares                   |  |  |
| i.   | Any other item                       |  |  |
| j.   | Is Excise Duty extra?                |  |  |

- k. If yes, mention the following –
  - i. Total value of items on which Excise Duty is leviable:
  - ii. Rate of Excise duty (item-wise if different ED is applicable):
  - iii. Surcharge on Excise duty, if applicable?
  - iv. Total value of excise duty payable:
- l. Is Excise Duty Exemption (EDE) required:
- m. If yes, then mention and enclose the following:
  - i. Excise notification number under which EDE can be given:
- n. Is VAT extra?
- o. If yes, then mention the following:
  - i. Total value on which VAT is leviable:
  - ii. Rate of VAT:
  - iii. Total value of VAT leviable:
- p. Is GST extra?
- q. If yes, then mention the following:
  - i. Total value on which GST is leviable:
  - ii. Rate of GST leviable:
  - iii. Total value of GST leviable:
- r. Is Custom Duty Exemption (CDE) required:
- s. If yes, then mention the following:
  - i. Custom notification number under which CDE can be given (Enclose a copy):
  - ii. CIF value of stores to be imported:
  - iii. Rate of Customs Duty payable:
  - iv. Total amount of Customs Duty payable:
- t. Octroi / Entry taxes:
- u. Any other Taxes / Duties / Overheads / Other costs:
- v. Grand Total:
  - i. Excluding AMC and spares
  - ii. Including AMC with spares
  - iii. Including AMC without spares



## APPENDIX – U: APPROVAL PROCESS FOR PROCUREMENT PROPOSALS

### D-11031/02/Corrs/2011 – UIDAI(Fin)/Vol III

**Unique Identification Authority of India  
Government of India  
(Finance Division)**

5<sup>th</sup> Floor, Bangla Sahib Road,  
Behind Kali Mandir, Gole Market,  
New Delhi - 110001  
Dated: 5<sup>th</sup> August 2021

#### **Subject: Approval process for procurement proposals**

While processing procurement proposals received from ROs/FWs, it has been noticed that the ROs/FWs are seeking approval of the CFA at every stage of tendering thereby sometimes prolonging the time taken in finalizing a proposal. Accordingly, to streamline the approval of the tendering process, the following procedure may be adhered to while seeking approval of CFA at HQ:

#### **Stages for Approval**

1. In cases of Open Tender Enquiry/ Limited Tender Enquiry, proposals may be submitted at the following three stages:
  - a. **At the time of initial proposal:** Approval for Tender Enquiry (RFP), Acceptance of Necessity (AON), constitution of tender/ bid opening committee (TOC), technical evaluation committee (TEC) and financial evaluation committee (FEC);
  - b. **After TEC evaluation:** Approval for evaluation of TEC and opening of financial bids; and
  - c. **After FEC evaluation:** Approval for financial evaluation, expenditure angle sanction (EAS) for entering in to contracts.
  
2. In case of single tender situation or single resultant tender, following stages may be followed:
  - a. **At the time of initial proposal:** Approval for Tender Enquiry (RFP), Acceptance of Necessity (AON), constitution of tender/ bid opening committee (TOC), technical evaluation committee (TEC) and financial evaluation committee (FEC);
  - b. **After TEC evaluation:** Approval for evaluation of TEC and opening of financial bids;
  - c. **After FEC evaluation:** Approval for financial evaluation, Approval for constitution of Commercial Negotiation Committee (CNC), if required; and
  - d. **After commercial negotiation:** Approval for CNC recommendations and expenditure angle sanction (EAS) for entering in to contracts.

3. Approval of CFA may invariably be sought if there is any amendment in the approved RFP or any other approval required in addition to the stages mentioned at para 1 and para 2 above.

### **Tenure/ RFP Terms and Conditions**

4. It has been noted that pending finalization of fresh tender, proposals are sent to extend the period of existing contracts, beyond their validity, for the continuity of services, without any enabling provisions in the agreement. FWs /ROs may, therefore, initiate the tendering process well in advance so as to onboard the new agency before the expiry of the existing contract.

### **General**

5. Concerned FWs at HQ, especially Admin Division and IFD to process the proposals received from ROs/TC, expeditiously.
6. FW may also ensure that all proposals submitted to the CFA are processed in main files, where complete background of the proposal is available for perusal. Submitting proposals in part-files may be avoided, as far as possible.
7. All other provisions contained in General Financial Rules, 2017, UIDAI Procurement Manual and extant instructions issued by the Ministry of Finance may also be adhered to while processing any procurement proposal.
8. These instructions are applicable only for the cases which need approval from the CFA and do not affect the delegations already given.

This issues with the approval of the CEO, UIDAI.

(Rajkumar)  
Assistant Director General (Finance)  
Ph: 011-23478502

To

1. All DDGs/ROs/TC
2. All ADGs
3. OSD to CEO