

DEPARTMENT OF HEALTH & FAMILY WELFARE  
GOVERNMENT OF ODISHA



PROCUREMENT MANUAL FOR DRUG, EQUIPMENT AND  
SERVICES DEVELOPED AND ADOPTED FOR USE BY SDMU,  
DIRECTORATES AND DISTRICTS AUTHORITIES

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## 1. Introduction

### 1.1 Purpose of this Manual

The purpose of the manual is to provide detailed guidelines to be followed for the procurement of goods and services by the Department of Health and Family Welfare of Government of Odisha including Directorates, State Drug Management Unit (SDMU), Medical Colleges, District Authorities, Hospitals and other Public Health Institutions of the State. For the purpose of this manual procurement has been defined as the acquisition of goods and services at the best possible total cost of ownership, in the right quantity and quality, at the right time, in the right place for the direct benefit or use of the population.

### 1.2 Applicability of this Manual

The procedures outlined in this manual primarily cover procurement goods and services in terms of the following:

- a. Goods such as equipment, vehicles, machinery, tools, consumables, stationeries, drugs, vaccines chemicals, books, etc.
- b. Services such as consulting and other non-consulting services including outsourcing of services i.e. laundry, catering, maintenance, transportation, cleaning, printing, repairing, etc.

This Procurement Manual is applicable to all the procurement to be undertaken by the department at all level using public fund.

All the policies, procedures and methodologies specified in this manual shall be considered as the view of the department and be binding on the department officials from the day it is adopted by the department.

### 1.3 Objectives of this Manual

As all procurement covered by this manual are financed from public fund, the procedures outlined in this manual aspire to achieve the following objectives:

1. The practices applied to the procurement process take into account principles of efficiency, economy and transparency to attain best value for money. Best value for money implies the use of optimum criteria, which incorporates total life cost of the goods and services necessary to satisfy the long-term goals of the department.
2. Robust contract monitoring and control mechanisms ensure effective assessment of all the options in each set of circumstances throughout the life of the contract.
3. The procurement processes are transparent, uniform and free from any ambiguity.

4. The bidding process, wherever feasible, should be open to competition to ensure the best terms and prices for the Department.
5. The bidding process ensures that there is sufficient notice and opportunity to bid. This would provide equal opportunity to all to do business with the Government.
6. The processes ensure proper accountability in procurement decisions by creating a structure of delegated authority within Department and other sub-ordinate agencies.
7. The procurement process should be uniform, systematic, efficient, cost-effective and in accordance with the rules and regulations of the Government.

#### 1.4 Laws Governing Public Procurement

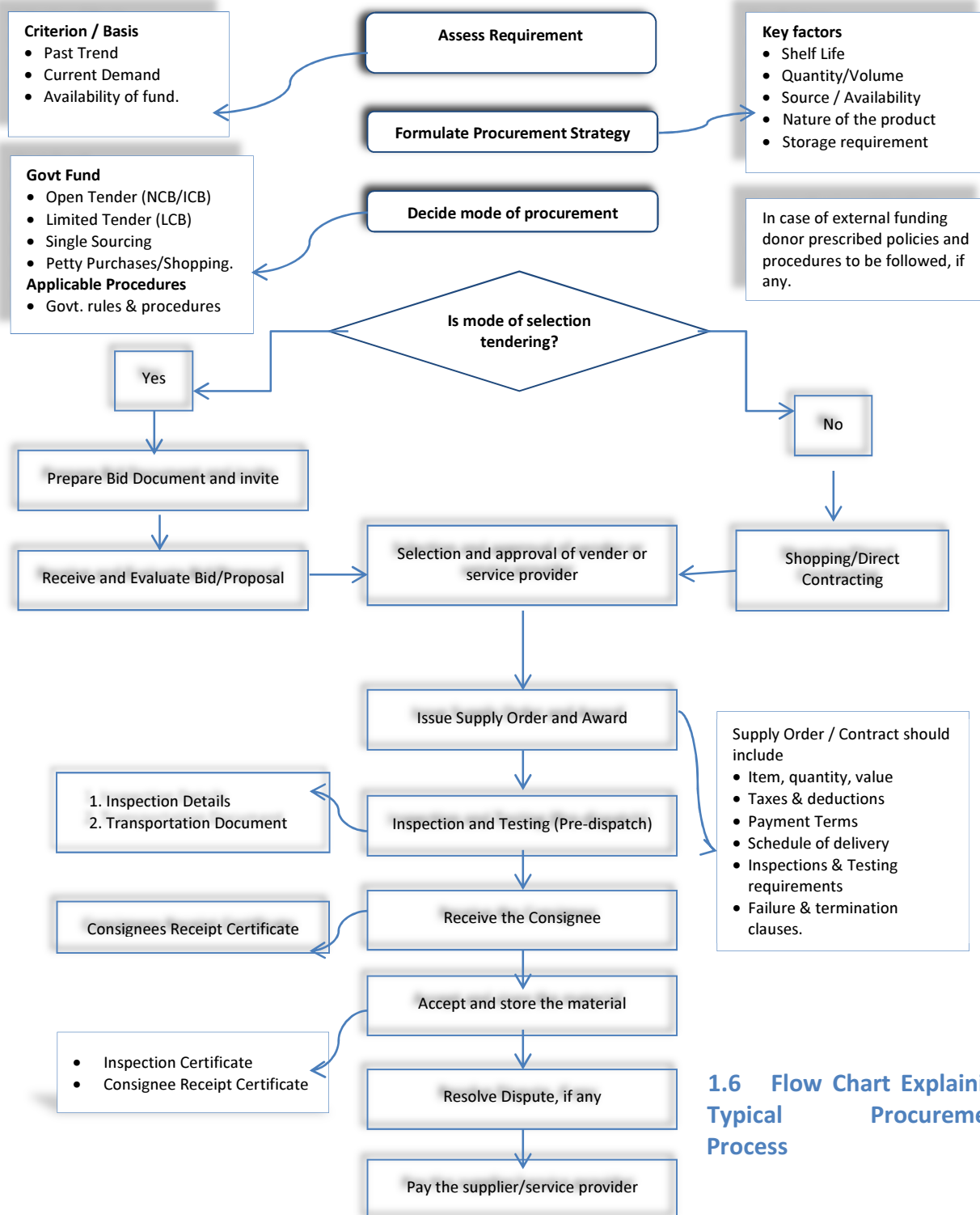
The public procurement function in the State is guided by number of Acts, Rules, Regulations, Guidelines and Directives as issued or amended from time to time to bring uniformity, transparency and fairness in the procurement process. Some of those key Acts, Rules or Guidelines are mentioned as below:

1. Orissa General Financial Rules (OGFR)
2. Delegation of Financial Power Rules
3. State Drug Management Policy
4. Indian Contract Act, 1872
5. Sale of Goods Act, 1930.
6. Law of Arbitration.
7. Relevant Guidelines issued by appropriate State or Central Agency i.e. Central Vigilance Commission, State Vigilance Commission, etc.
8. Supreme Court Judgements

*In case of conflict between the provisions of this manual and the above-mentioned rules, directives and legislation, the provisions of the latter will apply. Similarly, in case of an externally funded project (World Bank or External Donor) separate procurement guidelines will be issued in conformation with donor agreement.*

#### 1.5 Terminologies

The terminologies used in this Manual have been defined in the Glossary.



**1.6 Flow Chart Explaining Typical Procurement Process**

## 2. Organization of Procurement Functions

### 2.1 Authorities Competent to Purchase Goods

An authority, which is competent to incur contingent expenditure, may sanction the purchase of goods required for use in public service in accordance with the scheme of delegation of Financial Authority of the State.

### 2.2 Powers for Procurement of Goods

The powers to procure goods, services and civil works by the different authorities under the department are derived from the General Financial Rules of the State. The authorities, if found reasonable in terms of cost, quality and timing shall avail the rate contract entered in to with different firms by Central Procurement Agencies under Central or State government i.e. DGS&D, State Trading Corporation, State Drug Management Unit, etc. and time being in force.

### 2.3 Reporting Relationships for Procurement Functions

The administrative head of the organization (i.e. (a) Commissioner-cum- Secretary in case of Department (b) Managing Director/Chief Executive Officer in case of an Independent Procurement Entity) is primarily responsible for establishing a good procurement system for the organization. They are authorized to approve all procurement decisions in consonance with the recommendations of duly appointed purchase committees at different stages of procurement process. However for administrative convenience different financial limits have been assigned to different authority levels<sup>1</sup> within the organizational hierarchy through a scheme of delegation of authority. The finance department fixes the financial limits for different authority levels of different departments centrally.

### 2.4 Role and Composition of Various Committees

In case of procurement of goods or services by different authorities/agencies under the department then at least the following two committees are required to carry out the procurement process;

- a) Procurement Committee
- b) Tender Evaluation Committee

However, in case of procurement of goods or services which is highly technical or complex in nature demanding a special level of skill and expertise either to define technical parameters/specifications with respect to the product, packaging and

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<sup>1</sup> The Procurement Authorities under Health and Family Welfare Department may include; Directors in case of Directorates, Chief Medical Officers in case of Districts, Medical Superintendent/Principal in case of Medical College Hospital / other Training Institutions, Civil Surgeon/ Medical Officer (in-charge) in case of Hospitals.

handling, or to evaluate the technical proposal in a fair, transparent and objective manner then there shall be a **Technical Committee** in addition to two above mentioned committees.

The key functions of individual committees are delineated in following paras.

#### 2.4.1 Procurement Committee (PC)

##### *A. Role and Mandate*

- a) Ensure that the procurement is according to the procurement plan.
- b) Approve the range of acceptable cost of items to be procured and compare it with the available funds in the approved budget.
- c) Evaluate the schedules for procurement and specifications and ensure that the procurement process conforms strictly to the provisions of this manual and its operating regulations and guidelines.
- d) Ensure that all reporting requirements are being met and all contracts are duly administered.
- e) Endorse every intended purchase before implementation.
- f) Recommend the proper mode of procurement for each item to be procured.

##### *B. Composition of Procurement Committee*

**Directorate Level: For Central Procurement/ Rate Contract**

Item	Central Procurement Committee
<b>Drugs, Pharmaceutical &amp; Consumables</b>	<ol style="list-style-type: none"> <li>1) Director Health Services-<b>Chairperson</b></li> <li>2) Joint Director (SDMU)- Convener</li> <li>3) State Drug Controller (or representative)</li> <li>4) Finance Officer (Respective Directorate)</li> <li>5) Nodal Officer (Programme/Project)</li> </ol>
<b>Medical Equipment, Hospital Furniture &amp; Fittings</b>	<ol style="list-style-type: none"> <li>1) Director (Respective Directorate)-<b>Chairperson</b></li> <li>2) Joint Director (Respective Area)-<b>Convener</b></li> <li>3) Finance Officer (Respective Directorate)</li> </ol>

Item	Central Procurement Committee
	4) Biomedical Engineer (SEMU) 5) Procurement Consultant (Respective Programme), if any.
<b>Other Goods &amp; Services (office stationery furniture, etc.)</b>	1) Director (Respective Directorate)- <b>Chairman</b> 2) Finance Officer (Respective Directorate) 3) Nodal Officer (respective programme)- <b>Convener</b> 4) Procurement Consultant (Respective Programme), if any.

**District Level: For Local Purchase**

Type of Procurement	District Hospital <sup>2</sup>	District Health Authority
<b>Drugs, Pharmaceutical &amp; Consumables</b>	1) ADMO (Medical)/CMO - <b>Chairman</b> 2) Head of respective department 3) Stores Pharmacist- <b>Convener</b> 4) Admn. / Accounts Officer	1) Chief Dist. Medical Officer - <b>Chairman</b> 2) Specialist in respective area 3) Pharmacist (Dist. Stores) - <b>Convener</b> 4) Representative from Accounts/Admin.
<b>Medical Equipment, Hospital Furniture &amp; Fittings</b>	1) ADMO (Medical)/CMO - <b>Chairman</b> 2) Specialist in respective area 3) Representative from user department- <b>Convener</b> 4) Admin. /Accounts Officer 5) Biomedical Engineer -SEMU (optional)	1) Chief Dist. Medical Officer - <b>Chairman</b> 2) Specialist (respective area) - <b>Convener</b> 3) Account/Admin. Officer 4) Biomedical Engineer-SEMU
<b>Other Goods &amp; Services (office stationery furniture, etc.)</b>	1) ADMO (Medical)/CMO - <b>Chairman</b> 2) Representative from user	1) Chief Dist. Medical Officer - <b>Chairman</b> 2) Representative from user

<sup>2</sup> This includes 30 District Hospitals, Capital Hospital (Bhubaneswar), RGH Rourkela

Type of Procurement	District Hospital <sup>2</sup>	District Health Authority
	department/section- <b>Convener</b> 3) Accounts/Admin Officer	department/institution- <b>Convener</b> 3) Accounts/Admin Officer

#### Medical College Hospital and other Institutions

Type of Procurement	Medical College	Other Institutions
<b>Drugs, Pharmaceutical &amp; Consumables</b>	1) Principal/Superintendent – <b>Chairman</b> 2) Representative from indenting department 3) Stores I/C- <b>Convener</b> 4) Accounts/Admin Officer	1) Head of the Institute- <b>Chairman</b> 2) Specialist in concern area 3) Stores I/C- <b>Convener</b> 4) Accounts/Admin Officer
<b>Medical Equipment, Hospital Furniture &amp; Fittings</b>	1) Principal/Superintendent – <b>Chairman</b> 2) Representative from Indenting Department- <b>Convener</b> 3) Biomedical Engineer 4) Accounts/Admin Officer	1) Head of the Institution- <b>Chairman</b> 2) Specialist in respective area- <b>Convener</b> 3) Accounts/Admn Officer 4) Biomedical Engineer
<b>Other Goods &amp; Services (office stationery furniture, etc.)</b>	1) Principal/Superintendent- <b>Chairman</b> 2) Administrative Officer- <b>Convener</b> 3) Indenting Section 4) Accounts Officer	1) Head of the Institution- <b>Chairman</b> 2) Administrative Officer- <b>Convener</b> 3) Accounts Officer 4) Indenting Section

*The tender inviting authority normally heads the Procurement Committee. An authority can invite the tender provided it is within his financial limit. In case the tender value is likely to exceed the authorized limit then prior approval of the higher authority with appropriate financial limit to be obtained by the tender inviting authority before the issue of purchase order.*

## 2.4.2 Tender Evaluation Committee (TEC)

### *Mandate*

The TEC shall have the mandate to evaluate all bids solicited. The key functions of the committee are as follows:

- a) The committee shall evaluate the tender Pre-qualifications and prepare a report explaining the specific reasons for its recommendations.
- b) Ensure that tenders are evaluated in terms of the provisions in the bid document to ensure compliance with the commercial and technical aspects. The evaluation criteria for evaluating the bid should be predetermined and publicly published.
- c) The committee shall prepare a detailed report on the evaluation and comparison of bids for submission to the Procurement Committee explaining clearly the specific reasons for recommendation for the award of contract.

### *Inclusion of expert*

Specialized staff as needed for the evaluation of a particular bid shall be members of the Tender Evaluation Committee. In-house specialists as well as external consultants recruited for specific purposes can be members of this committee. The tender inviting authority may also nominate the external members having relevant skill and expertise to the committee.

### *Composition*

The Tender Evaluation Committee shall consist of members from technical and financial background. Some of the members of the PC may be taken as the member of the TEC. If necessary the procurement authority may appoint an external member with relevant expertise. The size of the TEC should be restricted to a maximum of three to four members.

### *Appointment*

The authority inviting the tender shall appoint the members of the Tender Evaluation Committee. If required, the authority shall advice for a specific process/method to be followed while evaluating the bid to make it more transparent and reasonable.

## 2.4.3 State Level Purchase Committee (SLPC)

### *Role and Mandate*

- a) Ensure that the procurement plans support the objectives and operations of the department and its sub-ordinate agencies.

- b) Appoint technical sub-committees to review Essential Drug List, Treatment protocols in regular interval.
- c) Approve all policy guidelines in respect of quality assurance, vender performance monitoring and contract management including blacklisting.
- d) Approve tender procedures involving procurement-exceeding rupees two Crores (in a single tender).
- e) Approve annual rate contracts for drugs and medical supplies.

#### *Composition*

1.	Chairperson	Secretary to Health & Family Welfare Department, Government of Odisha.
2.	Member	Special Secretary (Technical), DoH&FW, Odisha.
3.	Member	Director Medical Education & Training, Odisha.
4.	Member	Director Health Services, Odisha
5.	Member	Director Family Welfare, Odisha
6.	Member	Director Public Health, Odisha
7	Member	Drug Controller, Odisha
8	Member Secretary-cum- convener.	Additional Secretary & Financial Advisor, DoH&FW, GoO
9	Member	Representative form Finance Department
10	Member	Representative from Law department
11	Member	Any other invitee as per the advice of the Chair.

#### **2.4.4 Schedule of Approval Authorities and Limits**

The financial limits for approval of tenders shall be as prescribed under “Delegation Financial Power Rules” issued by Finance Department. The departmental may further delegate the authority within the overall framework, issuing appropriate circulars. The table given below is illustrative in nature and for actual limits the latest government order in this respect should be referred.

Approval Authority	Bid Value
1. Medical Officer (CHC, PHC, other Hospitals)	
2. Civil Surgeon (Dist Hospital)/Dist. Medical Officer	
3. Principal of Medical College/Superintendent of Medical College Hospital	
4. Directors of the Departments	Up to Rs 2.00 Crores
5. Secretary to Health & Family Welfare Department, Government of Odisha.	Above Rs 2.00 Crores

### 3. Public Procurement Policy, Principle and Ethics

#### 3.1 Fundamental Principle of Public Procurement:

The fundamental principle of public buying is laid down under General Financial Rules (Odisha). This spirit of public buying holds equally good for goods services or works. The basic tenet of public procurement is to ensure: -

- (a) **Transparency, fairness and fraud prevention:** To ensure accountability and efficient utilization of funds
- (b) **Equal opportunity:** To ensure that equal opportunities have been provided to everybody to compete and competition is ensured.
- (c) **Economy and Efficiency:** To ensure that goods and services are procured at a true worth.
- (d) **Effectiveness:** To ensure that the goods and services procured will help to achieve the overall public welfare goals and objectives.

#### 3.2 Yardstick Public Procurement Procedure:

The specifications in terms of quality, quantity and handling of goods to be procured, should be clearly spelt out keeping in view the specific needs of the end user. The specifications so worked out should meet the basic purpose of the goods and services to be procured without including superfluous and non-essential features, which may result in unwarranted expenditure. Care should be taken to avoid purchasing quantities in

excess of requirement to avoid inventory-carrying costs. At the same time the quantity ordered should be sufficient to be commercially viable for the supplier.

- (i) Offers should be invited following a fair, transparent and reasonable procedure;
- (ii) The procurement authority should be satisfied that the selected offer adequately meets the requirement in all respects;
- (iii) The procurement authority should satisfy itself that the price of the selected offer is reasonable and consistent with the quality required;
- (iv) At each stage of procurement the concerned procurement authority must place on record, in precise terms, the considerations which weighed with it while taking the procurement decision

### 3.3 Policy of Transparency, Competition and Fairness in 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 submit 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 submitting a responsive bid, should be clearly spelt out in the bidding document in simple language. The bidding document should contain, inter alia;
  - (a) 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.;
  - (b) Eligibility criteria for goods indicating any legal restrictions or conditions about the origin of goods, sources of raw materials, etc. which may required to be met by the successful bidder;
  - (c) Date, time, place and procedure of submission and opening of the bid;
  - (d) Terms of delivery;
  - (e) Special terms affecting performance, if any.
- (ii) 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.
- (iii) Suitable provision for settlement of disputes, if any, emanating from the resultant contract, should be kept in the bidding document.

- (iv) The bidding document should indicate clearly that the resultant contract would be interpreted under Indian Laws.
- (v) The bidders should be given reasonable time to send their bids. The minimum time allowed should be between 15 -45 days depending on the nature and volume of goods and services to be procured.
- (v) The bids should be opened in public and authorised representatives of the bidders should be permitted to attend the bid opening.
- (vi) 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 general and broad based to the extent feasible. Efforts should also be made to use standard specifications, which are widely known to the industry.
- (vii) The quantity, schedule and place of delivery along with consignee list should be clearly mentioned in the bid document. In case of rate contract, where it is difficult to quantify the exact requirement accurately in advance, an estimated quantity can be specified with 10 % variance limit.
- (viii) Pre-bid conference: In case of turn-key contract(s) or contract(s) of special nature for procurement of sophisticated and costly equipment, a suitable provision is to be kept in the bidding documents for a 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 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.
- (ix) Criteria for determining responsiveness of bids, criteria as well as factors to be taken into account for evaluating the bids on a common platform and the criteria for awarding the contract to the responsive lowest bidder should be clearly indicated in the bidding documents.
- (x) 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 during the evaluation of the bids.*** No relaxation either in technical or financial qualification should be allowed. Determination of a bid's responsiveness should be based on the contents of the bid itself without recourse to extrinsic evidence.
- (xi) Bidders should not be permitted to alter or modify their bids after expiry of the deadline for receipt of bids.

- (xii) Negotiation<sup>3</sup> with bidders after bid opening must be severely discouraged. However, in circumstances where the allocated budget for the offered activity or service is marginally falling short of the lowest quoted price then the same may be resorted to only with the lowest evaluated responsive bidder.
- (xiii) In the **rate contract system**, where a number of firms are brought on rate contract for the same item, negotiations as well as counter offering of rates are permitted with the bidders to match the lowest price with special permission.
- (xiv) 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.
- (xv) The name of the successful bidder awarded the contract should be mentioned in the Departments notice board or bulletin or web site

### 3.4 Efficiency, Economy and Accountability in Public Procurement System:

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

- (i) To reduce delay, the Department should prescribe appropriate time frame for each stage of procurement. Such a time frame will also make the concerned purchase officials more alert.
- (ii) To minimize the time needed for decision making and placement of contracts, every Department, with the approval of the competent authority, may delegate, wherever necessary, appropriate purchasing powers to the lower functionaries.
- (iii) The Departments should ensure placement of contracts within the original validity of the bids. Extension of bid validity must be discouraged and resorted to only in exceptional circumstances.
- (iv) The designated State Purchase Organisation(s) should bring into the rate contract system more and more common user items, which are frequently needed, in bulk by various Government departments.
- (v) The State Purchase Organisation should also ensure that the rate contracts remain available without any break.

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<sup>3</sup> Post tender negotiations are severely discouraged. This is so specifically stated in Government guidelines (Central Vigilance Commission Guideline dated 3.3.2007). Even L-1 post-tender negotiations are not permitted except for reasons to be recorded in writing.

### 3.5 Public Procurement Code of Ethics (*Issues, Principles and Terminologies*)

#### 3.5.1 Abuse of Public Office

Public Office is considered to be abused for private gain when:

- (a) An official accepts, solicits or extorts a favour
- (b) Private agents actively offer favour to circumvent public policies and processes for competitive advantage and profit
- (c) Patronage and nepotism, theft of state assets or diversion of state revenues subverts the public goods.

#### 3.5.2 Principle of Procurement Officials

- (a) Procurement official shall be honest and shall not be afraid to stand to the truth.
- (b) Procurement official shall possess integrity and a will.
- (c) Procurement official shall put character above wealth.
- (d) Procurement official shall not lose individuality in a crowd.
- (e) Procurement official will make no compromise with a wrong.
- (f) Procurement official will not do it because everyone else does it
- (g) Procurement official shall not believe that shrewdness, cunning and hard headiness are best qualities for winning success.
- (h) Procurement professional shall not be ashamed or afraid to stand for the truth when it is unpopular.
- (i) A procurement official shall say “No” with emphasis, although the rest of the world will say ‘Yes’
- (j) A public procurement official shall have respect for the law and system of government.

#### 3.5.3 Responsibility of Procurement Officials

- (a) Avoid the intent and appearance of unethical behaviours and practices.
- (b) Diligently follow procurement laws and rules.

- (c) Refrain from activity that would create or appear to create conflict of interests between personal interests and interests of the government agency. Identify and eliminate conflicts of interests.
- (d) Avoid soliciting or accepting money, loans, credits, discounts, favours, or services from present or potential suppliers or service providers which may influence or appear to influence purchasing decisions.
- (e) Ensure all persons are provided equal opportunity to compete in a fair and open process.
- (f) Inform the authority in writing on a conflict of interest situation, where he notice that his interests are conflicting with public interest;
- (g) Inform the procurment authority forthwith of any irregularities notices in the course of procuremnt or subsiquent to that;
- (h) In performing his/her official duties, a public official should ensure that public resources are not wasted, abused, or used improperly or extravagantly.

#### 3.5.4 Conflict of Interest

In carrying out their official duties, public servants/official involved in procurement process should arrange their private affairs in a manner that will prevent real, apparent or potential conflicts of interest from arising. Actual or potential conflict of interest occurs when the procurement official is in a position to influence a decision that may result in a personal gain or gains for a relative or friend.

**Officials involved in procurement process also have the following specific duties:**

- (a) Should not step out of their official role to assist private entities or persons in their dealing with government where this would result in preferential treatment to those entities or persons.
- (b) Should not knowingly take advantage of, or benefit from, information that is obtained in the course of their official duties and that is not generally available to the public.
- (c) Should not directly or indirectly use, or allow the use of government property of any kind, including property leased to the government, for any thing other than officially approved activities.
- (d) Should not participate in tender process or carry out an action in favour of an outside enterprise or organization in which he has direct or indirect interests.

**These prohibitions also cover the financial interests of working with:**

- (a) An organization in which the procurement official serves as an employee, officer, director, member of board of directors, or partner; and
- (b) A person with whom a procurement official is seeking or has an arrangement for future employment.

### 3.5.5 Responsibilities of Public Procurement Authorities

- (a) Implement a code of conduct that commits the contracting authority and its employees to a strict anti-corruption policy. The policy should take into account possible conflicts of interest; provide mechanisms for reporting corruption and protecting whistle-blowers.
- (b) Maintain a blacklist of companies for which there is sufficient evidence of involvement in corrupt activities; alternatively, adopt a blacklist prepared by an appropriate international institution. Bar blacklisted companies from tendering for the authority's projects for a specified period of time.
- (c) Ensure that all contracts between the authority and its contractors, suppliers and service providers require the parties to comply with strict anti-corruption policies. This may best be achieved by requiring the use of a project integrity pact during both the tendering and project execution phase, committing the authority and bidding companies to refrain from bribery.
- (d) Provide all bidders, and preferably also the general public, with easy access to information about:
  - activities carried out prior to initiating the contracting process
  - tender opportunities
  - selection criteria
  - the evaluation process
  - the award decision and its justification
  - the terms and conditions of the contract and any amendments
  - the implementation of the contract
  - the role of intermediaries and agents
  - dispute-settlement mechanisms and procedures.
- (e) Ensure that no bidder is given access to privileged information at any stage of the contracting process, especially information relating to the selection process.
- (f) Allow bidders sufficient time for bid preparation and for pre-qualification requirements when these apply.
- (g) Ensure that contract 'change' orders that alter the price or description of work beyond a cumulative threshold (for example, 10 per cent of contract value) are monitored at a high level, preferably by the next higher authority or the decision-making body that awarded the contract. Fresh tender should be invited in case a

material change is required either in respect of the description of the assignment (Service Contract) or in product quantity beyond a limit of 15%.

#### **4. Procurement Planning**

##### **4.1 Assessment of Requirements**

Assessment of requirements or forecasting shall precede the procurement planning stage. With technical considerations taken into account, the objective will be to eliminate the number of emergency orders resulting in lower procurement costs and improved service delivery. Demand for goods and services should not be broken into small quantities/packages leading to piece-meal procurement with the intention of avoiding the requirement to seek approval from a higher authority. An assessment of annual requirements of the goods and services required by the department as a whole shall be done prior to the beginning of the financial year. It is recommended that this process be completed before three months from the beginning of the financial year (i.e. by end of December 2011 for the year 2011-12). Efforts should be made to ensure that there are sufficient volumes to obtain competitive prices from vendors i.e. the benefits of economy of scale are achieved. Based on such an assessment and in accordance with the procurement procedures, an action for procurement shall be initiated. This will ensure that the subsequent procurement planning, contracts and delivery schedules are timely, resulting in obtaining goods on hand, and services when needed. This will also eliminate cases of premium being paid for urgent deliveries and executions. Effective forecasting and assessment of requirements has a definite impact on meeting the procurement objectives.

##### **4.2 Preparation of Procurement Plans**

###### **4.2.1 Key Considerations for Planning**

An annual procurement plan is required to be prepared for each of the item of goods<sup>4</sup>, and services during the forthcoming year. The procurement plan will primarily comprise of the quantity to be procured, scope of services to be contracted in or contracted, volume works to be executed out for each item or activity during the forthcoming year. It will also spell out the estimated cost, the ideal time and the suggested method for procurement of desired goods and services. This plan shall typically be based on inputs on requirements for each item received from different level or point of consumption preferably following a bottom up approach. The inputs shall consist of parameters such as quantity required, opening volume, closing stock, previous years demand, expected financial flow, etc. The template for requesting the individual district<sup>5</sup> and institution's<sup>6</sup> requirements is given in Section 10.17.

<sup>4</sup> Here goods include drugs, equipment, hospital furniture, hospital consumables, health supplies, etc.

<sup>5</sup> Districts requirement includes District Hospital, PHCs, CHCs and other Public Health Facilities within that district

<sup>6</sup> Institutions include Super Specialty Hospitals, Medical Colleges, etc.

After the individual district and institution's requirements have been validated the details have to be collated and aggregated at state level by the "State Drug Management Unit (SEMU)" into a composite procurement plan for the department. While finalizing the procurement plans for individual items/activities it is also required to check the current year requirements and off-takes, present status as well as past trends. A template for aggregating the districts' requisition for a particular item is given in section 10.18.

In case of drugs, it is advisable to priorities the items under the list through VED (Vital Essential and Desirable) Analysis, where the items are classified under three categories based on their importance. Which helps the authority to priorities the procurement in case fund scarcity.

***The procurement plan for drugs/Pharmaceuticals and hospital consumable items should consider the following:***

- a) Average time period required in a complete procurement cycle
- b) The trends in usage and the time of requirement (seasonality)
- c) Current stock of the store, location of the stock, due expiry date of the product and the projected time scale for distribution
- d) Storage capacity for receiving the bulk consignment. In case of limited storage capacity the procurement/supply of commodities could be phased over time rather than arriving as a one-time consignment
- e) Cases of problems encountered with procurement along with issues relating to distribution over the last few years

***The procurement plan for equipment shall be based on the following considerations:***

- a) Available infrastructure at the place of installation/health facilities
- b) Technical capability of existing operators
- c) Compatibility with other equipment, etc.
- d) Conformance with relevant Indian or international standards
- e) Environment of the area (temperature, humidity, dust)
- f) Power supply limitations (need for a stabilizer, etc.)
- g) Availability of stocks of, spares / consumables
- h) Economies brought in by standardizing supplies

***The annual procurement plan for other goods and services must cover the following aspects:***

- a) Requirements of goods, consultancy services, construction and other infrastructure maintenance works and resource support
- b) The plan shall include all contracts proposed to be executed during the year
- c) The method of purchase shall be based on factors like value of the contract, urgency of the demand, type of goods/services and availability of different sources of supply etc.
- d) The limit of value (for each contract) applicable to the particular procurement procedure shall be strictly adhered to

#### **4.2.2 Budgetary Allocation and Release of Funds**

Once the annual budget is passed, the department or other procuring agency shall prepare its procurement plan based on the financial allocation committed in the budget.

A template of the procurement plan is given in section 10.1.

### **4.3 Procurement Strategy**

#### **4.3.1 Types of Procurement**

Centralized Procurement and Local Procurement are two different type of procurement practices recommended at different circumstances. Centralized systems of procurement provides an opportunity to benefit from the economies of scale, ensure uniformity in product quality and specification, promotes competition, and enable strong monitoring and supervision. However in special circumstances, depending on the nature, volume and urgency of the goods and services to be procured local procurement can also be resorted to.

***Given below are the circumstances when local procurement is allowed at facility level:***

- (a) When the items are not covered under the purchase list for Centralized Procurement.
- (b) In case of emergency requirement and there is a stock-out of the particular item.
- (c) Consumables and spares mostly propriety<sup>7</sup> in nature

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<sup>7</sup> Those consumables which are specific to item of particular make and model

- (d) When the drug item is propriety in nature and generic type is not available in the market
- (e) Requirement is small in quantity and it is not commercially feasible to procure through a Centralized System
- (f) Goods or Services are available locally in abundance and would be most cost effective when procured locally
- (g) In case of emergency situation like; natural calamities, epidemics, etc. when the availability of medicine are of prime importance
- (h) When it is not possible to predict the requirement of a particular goods or services as the requirement of the same is contingent upon the happening and not happening of a future event.
- (i) When the requirement is specific to a particular facility, location or organization

**Restrictions for Local Purchases<sup>8</sup>:**

- (a) Local Purchases to be restricted to 20% of the total budget for drugs and equipment. However in exceptional situations special permission may be obtained from the appropriate authority before exceeding the limit.
- (b) Local purchases can only be made from the fund earmarked for that.
- (c) Even in case of local purchases of medicines priority is to be given to generic items over propriety items.

#### **4.3.2 Mode of Procurement**

The mode of procurement (e.g. Advertised Tender Enquiry, Limited Tender Enquiry, Single Tender Enquiry/ Direct Contracting, Invitation for Quotation, etc.) for various types of goods/services shall be decided based on the following considerations:

- (a) Nature of the goods/services
- (b) Estimated value of the procurement vis-à-vis thresholds as prescribed for each mode of procurement
- (c) Requirement of standardized spares, services and design
- (d) Market Conditions

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<sup>8</sup> As per the Drug Management Policy issued by govt. of Odisha, 80% of the drug budget (plan & non-plan) is meant for centralized procurement through SDMU and balance 20% is earmarked for local purchases through district and sub-district level through Indenting Officers.

(e) Urgency of the items to be procured

**A. Procurement of Goods and Services without obtaining Bids/Inviting Tender:**

**1. Purchase of Goods without Quotations/Bid**

Purchase of goods up to the value of **Rs. 1,000/-** (Rupees One 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."

**2. Purchase of Goods Directly Under DGS&D & EPM Rate Contract**

Another mode of procurement without inviting for the bid/quotation is to procure goods for which Central Purchase Organization (e.g. DGS&D) EPM rate contract is available. In case of procurement through central purchase organisation (e.g. DGS&D) the prices to be paid for such goods shall not exceed those stipulated in the rate contract and the other salient terms and conditions of the purchase should be in line with those specified in the rate contract. The Department shall make its own arrangement for inspection and testing of such goods where required.

**B. Procurement of Goods and Services by Inviting for Bid/Quotations:**

**1. Open Tender Enquiry**

This tender could either be national, global or local in nature. This method is employed for procurement value above **Rs 50,000.00** (or such other value as specified from time to time). In case of open tender enquiry a free and fair completion among the prospective bidders is ensured through appropriate publicity of the tender information in different media including new papers, websites and notice board of government office.

**2. Limited Tender Enquiry**

In case of limited tender enquiry instead of open advertisement tenders are invited directly from the parties. Limited Tender enquiry is resorted to under special circumstances as given below;

- a) Limited number of vendors available in the market.
- b) Panel of vendors maintained by any government agency for the same product is available

### 3. Single Tender Enquiry

This is like Direct Contracting and single source may be resorted to in the following circumstances:

- (a) It is in the knowledge of the user department that only a particular firm in the manufacturing of the required goods.
- (b) In a case of emergency the required goods are necessary to be purchased from a particular source and the reason for such decision is to be recorded and approval of competent authority obtained.
- (c) For standardization of machinery and spare parts to be compatible to the existing sets of equipment (on the advice of a competent technical expert and approved by competent authority), the required item is to be purchased only from a selected firm

**Note:** Propriety Article certificate in the following form is to be provided by the Department before procuring the goods from the single source.

**Format for the Certificate:**

- (a) The intended goods are manufactured by M/s.....
- (b) No other make or model is acceptable for the following reason.....
- (c) Concurrence of the internal finance wing/finance department to the proposal vide...
- (d) Approval of the Competent Authority vide: .....

***(Signature with date and designation of the procuring officer)***

***Detailed description of each mode of procurement has been given below:***

#### ***4.3.1.1 International Competitive Bidding***

National Competitive Bidding is considered to be the most preferred mode of public procurement in our country. However, where the 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 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.

The objective of International Competitive Bidding (ICB) is to attract competition from international vendors. Thus under ICB process all eligible prospective bidders are provided with timely and adequate notification of the buyer's requirements and an

equal opportunity to bid for the required goods and services. This method, which has a longer cycle time than other methods of procurement, is generally adopted where foreign firms are expected to participate irrespective of the value. Generally a certain threshold value is taken for adopting ICB as the procurement mode.

***The requirements for the ICB process are given below:***

1. Invitation of the bid shall be forwarded to embassies and trade representatives of countries, which are the likely suppliers/contractors of the goods/services to be procured. Wide national publicity and invitation to those who have expressed interest in response to the general procurement notice shall be extended.
2. Standard Bid Documents have to be used which shall clearly state the type of contract to be entered into and contain the proposed contract provisions that are appropriate. Sale of tender documents shall start only after publication of Invitation to bid. In case a bidder downloads the tender documents from the website, they will be required to submit a banker's draft for the purchase price of the tender document at the time of submission of tender.
3. The tender documents must contain technical specifications, which are in accordance with national requirements but also based on international trade standards.
4. The bidding documents shall furnish all information necessary for a prospective bidder to prepare a bid for the goods and services to be provided. In general detailed information on the following shall be given:
  - (a) Instruction to bidders
  - (b) Terms and conditions of contract
  - (c) Schedule of requirements
  - (d) Specification or Scope of the Work
  - (e) Eligibility and Selection Criterion
  - (f) Standard Forms e.g. Bid Securities, Performance Securities.
5. The complexity of these documents may vary with the size and nature of the proposed bid package and contract. If a fee is charged for purchasing the bidding documents, it shall be reasonable and shall not be so high as to discourage qualified bidders. Typically the bidding document should reflect only the cost of printing and delivery.

6. The time allowed for the preparation and submission of bids shall be determined with due consideration of the particular circumstances of the project and the magnitude and complexity of the contract. Generally the bidding period is 4 to 6 weeks from the date of start of the sale of the bidding document.
7. Other procedure for global tender will broadly be the same as that of other modes of procurement in respect of bid opening, bid evaluation, notification and publishing of award, complaint and redressal, etc. These have been discussed in details in the section on Tendering.

#### **4.3.1.2 National Competitive Bidding**

National Competitive Bidding (NCB) is the most practiced mode for public procurement, and is the most appropriate way of procuring goods or services.

- (a) The contract values are not large enough for an ICB.
- (b) Delivery points of goods or services are scattered geographically or spread over time.
- (c) The goods or services are available in the domestic market at competitive prices.
- (d) When ICB has no virtual certainty to increase the competition.

NCB procedures are the preferred procedure unless there is sufficient reason for ICB. However for all high value procurement or procurement of high-end equipment ICB is preferred to NCB There are some essential requirements in the NCB process which are given below:

1. Timely notification of bidding opportunities by advertising in the national press or official gazette, or a free and open access website (daily newspapers with wide circulation all over India, at least in one national English and one regional language daily and websites of Department).
2. Advertisement in such case should be given in the Indian Trade Journal (ITJ), published by the Director General of Commercial Intelligence and Statistics, Kolkata and at least in one national daily having wide circulation
3. Bidding documents shall be either in English or in Hindi language. India currency shall generally be used for the purpose of bidding and payment unless specified otherwise in the bidding document.
4. In addition, the bidding documents shall provide clear instructions on how bids shall be submitted, how prices shall be offered, and the place and time for submission of bids. Adequate response time for preparation and submission of bids shall be provided. The deadline for submission of bids shall be a pre-stipulated number of

days (say 3-4 weeks) from the date of publication or the date of availability of tender documents.

5. There should be provision for adequate competition in order to ensure reasonable prices. Methods used in the evaluation of bids and the award of contracts shall be objective and made known to all bidders in the bidding documents and not be applied arbitrarily.
6. Procedures such as opening of bids in presence of bidder or their representatives, publication of results of evaluation and of the award of contract and provisions grievance redressal, add or amendment in the bid document shall also be provided clearly in the bid document.
7. Preference to Small Scale Industries, if given, along with benefits offered and condition to qualify for the benefits should be clearly mentioned. It should be strictly as per the preferential policy of the government time being in force. However it is the responsibility of the bidder to establish its eligibility to avail the preference. The benefits to SSIs shall only be restricted to financial incentives.

#### 4.3.1.3 Limited Competitive Bidding

Limited bidding process is similar to NCB without open advertisement. It is by direct invitation to qualified suppliers. The procedures are the same as those followed under NCB mode apart from the requirement of open advertising and provide wide publicity to attract competition. With a view to establish reliable sources for procurement of goods commonly required for public use, the purchasing entity shall maintain its own panel of eligible suppliers or contractors or alternatively may use the list of eligible and capable suppliers prepared by a Central Purchase Organisation (e.g. DGS&D), Building Construction Department, Road Construction Department, PHED, Public Enterprise Department, etc.

Such registered suppliers are *prima facie* eligible for consideration for procurement of goods through Limited Tender Enquiry. Credentials, manufacturing capability, quality control systems, past performance, after-sales service, financial background etc. of the supplier(s) should be carefully verified before registration.

Purchase through Limited Tender Enquiry is adopted where the estimated value of procurement is below a specified limit. Copies of the bidding document should be sent directly by speed post/registered post/courier/e-mail to firms, which are mentioned on the list of registered suppliers for the goods in question. The number of supplier firms in Limited Tender Enquiry should be more than three. Further, web based publicity should be given for limited tenders. Efforts should be made to identify a higher number of approved suppliers to obtain more responsive bids on a competitive basis.

Purchase through Limited Tender Enquiry may be adopted even where the estimated value of the procurement is more than the specified limit, in the following circumstances.

- (a) The competent authority in the Department certifies that the demand is urgent and any additional expenditure involved by not procuring through advertised tender enquiry is justified in view of the urgency. The 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 the public interest to procure the goods through advertised tender enquiry.
- (c) The sources of supply are definitely known and the possibility of other suppliers beyond those being tapped is remote.

A minimum of three weeks should be allowed for submission of bids in Limited Tender Enquiry cases.

#### **4.3.1.4 Local Competitive Bidding**

Local Competitive Bidding (LCB) is an open tender enquiry like NCB with **limited publicity of the tender**. LCB is recommended for local procurement of smaller value where quotations are mostly expected from local parties considering the nature and volume of goods and services to be procured. In this mode of procurement, the tender advertisement is limited to the official website (NIC), one regional newspaper and display in the notice board of the tender inviting authority intended for public viewing.

The notice inviting bids should clearly specify the details of the requirement, eligibility for bidding, content of the bid and other terms and conditions. In this case the process of submission and selection are kept very simple so that the process of selection would be less time consuming and comparatively simple.

The method can be adopted in following circumstances;

- (a) Procurement is of smaller value (e.g. up to Rs 10,00,000.00<sup>9</sup>)
- (b) There is a certainty of getting at least three of bids locally
- (c) Considering the value of procurement the cost of advertisement in national daily and regional daily is not justified

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<sup>9</sup> Or such other value as may be specified by the authority from time to time.

- (d) The products and services under procurement are simple, routine and off-the- shelf items where product pricing and quality are quite standardized.
- (e) When the risk of poor quality and performance are less.

#### **4.3.1.5 Petty Purchases/Shopping**

This is a procurement method in which price quotations are received from several suppliers (generally a minimum of three) and are compared to assure competitive prices. The following type of requirements can be handled through shopping provided approval of a competent authority has been obtained for the goods to be purchased with the specifications, estimated costs and agencies from which quotations shall be invited:

- (a) Procurement in small amounts (up to Rs 50,000.00<sup>10</sup>)
- (b) Urgent requirements
- (c) Readily available off-the-shelf goods or standard specification commodities within the aforesaid financial ceiling

Requests for quotations, which can be submitted by letter, facsimile or by electronic means, shall indicate the description and quantity of the goods or specifications of services, as well as desired delivery (or completion) time and place. Quotations called for more than one service shall clearly specify the evaluation criteria for each. The evaluation of quotations shall follow the same principles as that of Limited Bidding. The terms of the accepted offer shall be incorporated in a purchase order or brief contract.

#### **4.3.3 Vender Pre-qualification:**

Pre-qualification of bidders may be considered to reduce the procurement cycle in case of emergency procurement, or where the state of the supplier's production facilities needs to meet specific standards, or there are a number of suppliers producing the same item, where receiving and evaluating bids from all of them will be a time consuming affair. Pre-qualification shall also be conducted for large orders, or in any other circumstances in which the high costs of preparing detailed bids could discourage competition, such as custom designed equipment, specialized services, etc. Generally the supplier will remain pre-qualified for one to three years unless there is a reason to review the situation. The requirements for qualification/eligibility of bidders have to be specified in the tender in case there are any pre-qualification conditions. For example, the qualification criteria for the vendors for different types of equipment, vehicles, machinery, etc., may include

- a) Number of years in operation (3 years)

<sup>10</sup> Or such other value as may be specified by the department from time to time

- b) Prior experience in serving government and non-government clients, etc.
- c) Possession of quality assurance or international standard accreditation
- d) Certification of design to relevant standard
- e) Assurance of functional performance (by standard or by reference)
- f) Existence of local office
- g) Existence of service network and parts stock
- h) Provision of sample (or working installation) for inspection

This will ensure that bids are extended only to those who have adequate capabilities and resources. However it should be ensured that prequalification is not used as a device intended to reduce competition, but a process to ensure that the invitation to bid is extended only to those who have adequate capabilities and resources. A template for pre-qualification information sought from potential bidders is given in **section 10.2**.

#### 4.3.4 Procurement of Services

The procurement planning for services, including those of intellectual and advisory nature shall be done keeping in mind the following:

- (a) The appointed service providing firm shall not have any possible conflict of interests with other activities of the firm during their present assignment
- (b) The firm shall not provide advice for two different components of the program that would have conflicting objectives
- (c) The firm shall have the interest of government in mind without considering possibility of future assignments
- (d) They shall not be associated with firms that furnish goods for the programme that they are preparing or providing assistance to

***For selection of service provider the following methods can be used:***

- (a) **Competitive Selection:** In this method all the competing firms are given a fair chance of being selected on the basis of either a technical proposal only or on the basis of both technical and financial proposals
- (b) **Single Sourcing:** This method shall only be used in exceptional cases as it lacks transparency and does not provide the benefits of competition with regards to quality and cost. Only in case of emergencies, natural continuation of a previous assignment carried by the specific firm or individual, or when only one firm is

qualified or has the experience of exceptional worth for the assignment, this method is appropriate.

*Detail procedure given in Chapter 8 “Procurement of Services”*

#### **4.3.5 Warranty and Post Warranty Maintenance for Equipment**

While procuring equipment provisions should be made in the bid document to ensure warranty and maintenance coverage. Warranty should be asked for a minimum period of 2 years for all the equipment. However, for comprehensive maintenance (subsequent to the warranty period) normally a period of three to five years is advisable. Comparatively comprehensive maintenance contract (CMC) is expensive than annual maintenance contract (AMC) and not economical if asked for a longer period of time. So it is advice to decide on the CMC/AMC taking following facts in to consideration instead of a uniform time period for all the equipment.

- a) Nature of equipment: Whether CMC is taken for similar type of equipment as general practice
- b) Location of installation or use: where it is not possible to repair equipment locally CMC for a longer period is must.
- c) Nature of use: If the load on the equipment is very high then it is advisable to have CMC for the entire usable life of the equipment
- d) Obsolescence: If the equipment is prone to quick obsolescence because of fast technical up-gradation in that field then CMC/AMC for a shorter period is advisable.

#### **4.3.6 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.

## 5. Tendering

### 5.1 Scope of Tendering Process

This chapter provides the applicable guideline for the tendering process in terms of the following activities:

- (a) Preparation of the bid document
- (b) Notification Inviting Tender
- (c) Pre-bid meeting, if required (at least one week before the last date for bid submission)
- (d) Modifications and alterations to the bid
- (e) Bid submission and opening
- (f) Earnest Money Deposit
- (g) Bid Evaluation
- (h) Cancellation of bidding process
- (i) Award of Contract, contract execution and disclosure
- (j) Performance Security
- (k) Safe custody and monitoring of EMD, Performance security and others
- (l) Schedule of Delivery and List of Consignee

This chapter shall be applicable for the following modes of procurement:

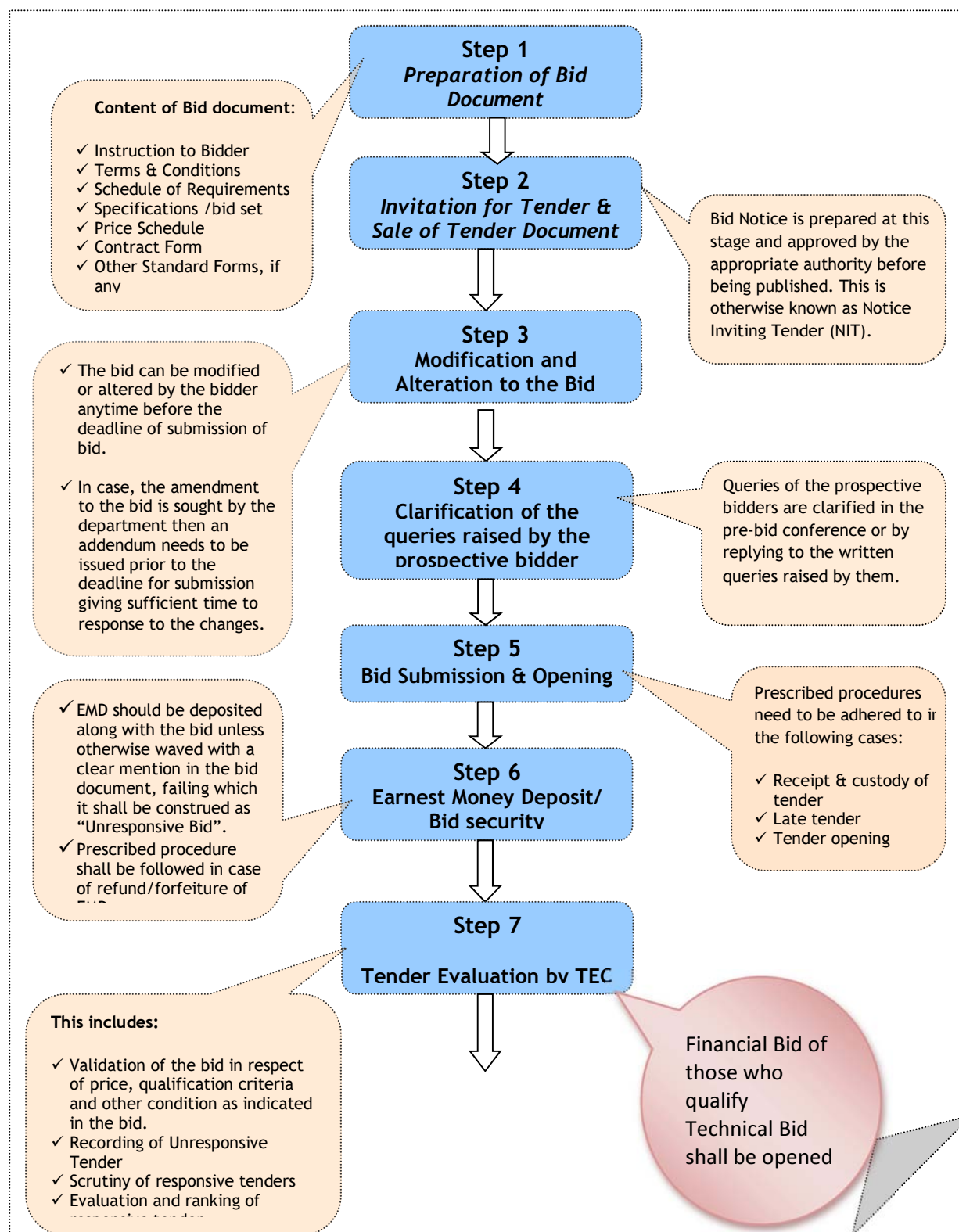
- (a) Advertised/Open Tender Enquiry
- (b) Limited Tender Enquiry
- (c) Single Tender Enquiry

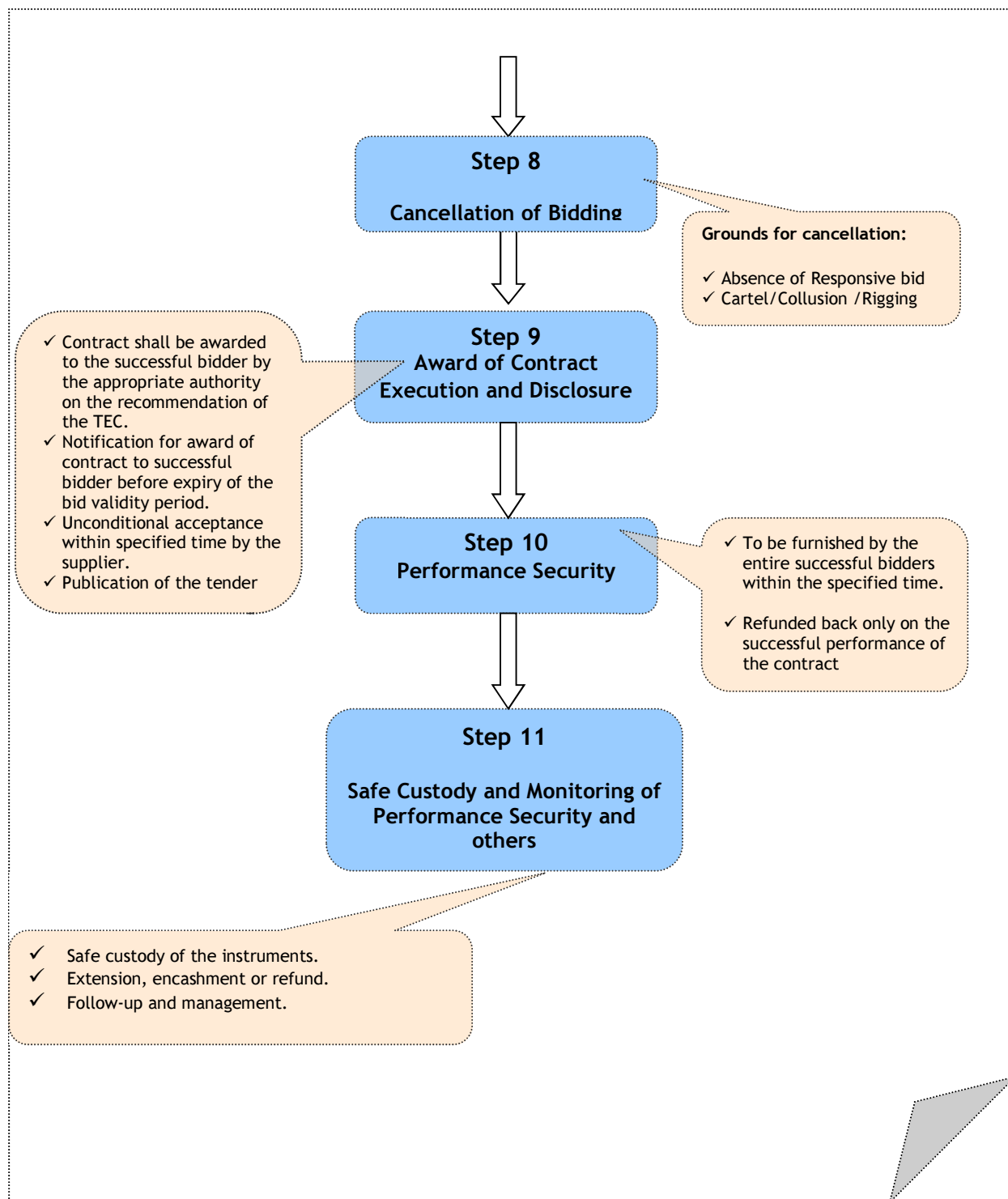
By virtue of different preferential policies of the government preferences are also to be given to certain sections of supplier(s) or manufacturer(s) in the manner and extend prescribed under relevant statutory policy unless a contrary is approved by the government under special circumstances overriding the provisions there under.

Preference granted to the Small Scale Industries (SSI)/Medium Small and Micro Enterprises (MSME) sector under Industrial Policy Resolution (IPR) never intended to compromise the quality. Quality is the one of the key criterion in any public

procurement. So to do away with this type of risk for quality compromise a well-defined and standardized quality criterion shall be of immense importance. A good quality assurance system in public procurement will definitely discourage unethical and poor competitors.

## 5.2 The Flow Chart for a Typical Tendering Process for Goods:





### 5.3 Preparation of Tender Documents

It shall be ensured that during the preparation of tender documents, emphasis is placed on defining the specifications of the goods including quality norms, scope of the services including performance parameters and other terms of conditions in very clear and definite terms.

#### 5.3.1 Invitation for Bids

A notice inviting bids shall be prepared by the respective authority/unit once the procurement plan for a particular item has been finalized. A standard format for NIB is to be followed unless PC recommends a different format and clearance to that effect is obtained from finance and law department.

#### 5.3.2 Preparation of Bid Notice

The invitation for bids should clearly specify the following:

- (a) Description and specification of goods and services
- (b) Quantity of goods to be procured
- (c) Period and terms of delivery
- (d) Cost of tender/ bidding document
- (e) Time and Place(s) of the sale of bid document
- (f) Place and deadline for receipt of bids
- (g) Place, time and date for opening of the bid
- (h) Amount and form of bid security/Earnest Money Deposit
- (i) Name of the authority/agency on whose behalf bids are invited
- (j) Name of the project or programme
- (k) Any other important information

The notice for inviting bids will be published after the procurement authority has approved it.

A template notice for bid invitation has been enclosed under section 10.3.

### 5.3.3 Suggested Time-line for Key Tender Events

S. No.	Key Events	Suggested Time-line
1.	Starting date for sale of Bid Documents	Date of release/issue of tender notice.
2.	Pre-bid Conference	Within two weeks from the date of release/issue of tender notice and 1 week prior to bid closure.
3.	Last Date for Sale of Bid Document	The sale should remain open at least for three weeks.
4.	Deadline for submission of Bid Document	On the last date for sale of bid document but at least 3 hours after the sale closure of bid document.
5.	Opening of Bid	Preferably one hour within bid closure i.e. deadline for submission of bid document.

### 5.3.4 Publication of Bid Notice

The bid should be widely publicized so that all eligible parties are provided an equal opportunity to participate in the bidding process. Some of the different media that may be used for information dissemination among potential suppliers for specific modes of procurement have been indicated in the table below:

<i>Mode of Procurement</i>	<i>Mode of Advertisement</i>
<b>PROCUREMENT OF GOODS</b>	
<b>Open Tender Enquiry:</b> <b>(NCB/ICB)</b> <i>(Estimated value of the procurement is more than Rs 10.00 Lakhs)</i>	<ol style="list-style-type: none"> <li>1. One National Daily (at least) having wide circulation</li> <li>2. One Regional Daily having wide circulation</li> <li>3. Website of Department. And in case of Department with a link provided on the National Informatics Center's website.</li> <li>4. Indian Trade Journal (ITJ), published by the Director General of Commercial Intelligence and Statistics, Kolkata</li> <li>5. Copy of bid notices sent to Indian embassies and Trade commission's abroad. <b>(In case on ICB only)</b></li> </ol>
<b>Local</b> <b>Competitive</b>	<ol style="list-style-type: none"> <li>1. One regional daily with wide circulation</li> </ol>

<b>Mode of Procurement</b>	<b>Mode of Advertisement</b>
<b>Bidding:</b> <i>(Estimated value of procurement up to Rs 10.00 Lakhs)</i>	2. Website of the department 3. Notice Board meant for public viewing
<b>Limited Tender Enquiry: (LDB/LIB)</b>	1. Copies of the bidding document should be sent directly by speed post/ registered post /courier /e-mail to firms which are borne on the list of registered suppliers for the goods 2. Website of Department, with a link provided on the National Informatics Center's website.
<b>PROCUREMENT OF SERVICES<sup>11</sup></b>	
<b>Invitation for "Expression of Interest" through Advertisement.</b>	1. One National Daily (at least) having wide circulation <i>(If the estimated value of the contract more than Rs 10.00 Lakhs).</i> 2. Website of Department. And in case of Department with a link provided on the National Informatics Center's website. 3. One Regional Daily having wide circulation
<b>Invitation for "Expression of Interest" without Advertisement.</b>	1. 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.
<b>OUTSOURCING OF SERVICES<sup>12</sup></b>	
<b>Advertised Tender Enquiry: Invitation of Bid</b>	1. One National Daily (at least) having wide circulation <i>(Where the estimated value of the contract more than Rs 2.00 Lakhs).</i> 2. Website of Department. And in case of Department with a link provided on the National Informatics Center's website. 3. One Regional Daily having wide circulation.
<b>Limited Tender Enquiry:</b>	1. List of potential consultants may be done on the

<sup>11</sup> Procurement of services includes consulting services.

<sup>12</sup> Outsourcing of Services includes maintenance, cleaning, laundry, catering, diagnostic services, etc.

<b>Mode of Procurement</b>	<b>Mode of Advertisement</b>
<b>Invitation of Bid</b>	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.

The time frame between advertisement of the bid and the date of the submission should be sufficiently long so that potential bidders get sufficient time to procure the bid document and submit their responses. Typically such time period is 3 weeks for NCB and LDT and 4 weeks for ICB and LIT.

In the event of a payment being required to procure the bid document, the name, address, contact number and fax number should be recorded at the point of purchase to facilitate further communication.

*In case of departments or sub-ordinate agencies/ offices the paper publication of NIT shall be done through Public Relations Department.*

### 5.3.5 Instructions to Bidders

**The bid document shall contain the following key instructions to the bidders:**

1. Clearly lay down the standard of ethics expected from the bidders along with the action to be taken if the bidder is found implicated in fraudulent and corrupt practices.
2. Provide provisions for bidders to seek clarifications on the bid document by submitting a written query to the contact person or attending the pre-bid conference as provided for in the bid document.
3. *Clearly specify the language in which the prospective bidder shall submit the bid as well as all related documents. In case the language of supporting document is different from the specified language, an accurate translation should be provided. The translation shall be used for the purposes of bid evaluation.*
4. The currency of the bid shall be in Indian Rupees unless otherwise specifically specified for different mode of procurement.
5. Earnest Money Deposit (EMD) would be submitted along with the bids in cases where the procurement authority wants to ensure that validity of the bid is maintained during the validity period specified in the bid document. The bid document shall clearly specify the EMD amount. It should be between 2 to 5% of the estimated value of the goods/services to be purchased depending on the nature of goods/services to be procured. The bid document shall clearly state the instances under which EMD can be forfeited/liquidated.

6. Following instructions for submitting bids including templates and formats wherever applicable shall be clearly specified, such as;
  - a) The original and the number of copies/sets to be prepared shall be clearly specified. The original should be marked as the “Original Bid” whereas the copies need to be marked as “Copy of Bid”. In case of any conflict between the two, the original will prevail.
  - b) The submitted bids shall be typed or written in indelible ink and should be duly signed by the bidder authorized to enter into contract with the procurement authority. A written power of attorney indicating such authorization should be submitted along with the bid.
  - c) The person signing the Bid should also initial all instances of interlineations, erasures, or overwriting to correct errors on the bid.
7. Instructions for submitting bids in envelopes including labeling requirements shall be clearly specified.
8. Bid opening formalities clearly specifying address, time and date of opening of bids as well as any other formalities required.
9. The evaluation process shall be clearly specified in the Bid document.
10. Pre-shipment/pre-dispatch inspection if required shall be clearly specified in the Bid document indicating the mode and procedure for the same. The party who will bear the cost of pre-shipment/pre-dispatch inspection shall be clearly specified in the bid document. Some of the key guidelines for pre-shipment inspection have been covered under Section 6.

***The standard bidding document comprising Instruction to Bidders has been given Standard Bid Documents***

### **5.3.6 Qualification and Eligibility Criteria for Bidders**

Specifying the qualifications and eligibility criteria is important to ensure that only those suppliers who are capable of supplying the goods and services of appropriate quantity are allowed to participate in the bidding process. Potential suppliers should meet key qualifications and eligibility criteria, which include:

1. The manufacturer should typically have not less than 3-5 years of manufacturing and marketing experience in supplying to the Government, Public Sector Undertakings, UN agencies or Local Bodies for the specified product duly supported by documentary evidence and attested by their Chartered Accountant.

2. The bidder should be registered with the appropriate registering authority (DIC, NSIC, etc.) as a manufacturer, supplier or service provider, wherever applicable.
3. **Production Capacity:** The production capacity of the manufacturer of the product should be at least 150% (or such other % as decided by the Procuring Authority on case to case basis) of the quantity of the item procured by the department in the preceding year or quantity to be procured in the current year through rate contract or otherwise. Bidders shall submit a 'capacity certificate' of the manufacturer along with other supporting document to prove that they have successfully supplied at least 150%(or such other % as decided by the Procuring Authority on case to case basis) of the annual off take required by department under the current contract.
4. **Market Presence:** The bidder should also establish that the product (offered) has an average annual sale (preceding three years) of at least 50% of the of the quantity of the item procured by the department in the preceding year or quantity to be procured in the current year through rate contract or otherwise.
5. Bidders/ manufacturer should not be under a declaration of ineligibility for corrupt and fraudulent practices issued by any public procurement authority (Government or Public Sector Corporation). A Self-declaration Certificate should be enclosed.
6. Bidder should possess valid Income Tax Clearance Certificate, the date of issue of which should not be earlier than one year from the date of opening.
7. Bidders/manufacturers should possess valid license (wherever applicable) for the manufacture and sale of the item under procurement. In case of drugs, a GMP (Good Manufacturing Practices) certificate for the manufacturing facility for two years or more, which is valid on the date of bid opening, should be available/provided.
8. Bidders/manufacturer should possess a valid Drug License for the manufacture and sale of the concerned item, which should be at least two years old on date of bid opening. Foreign manufactures should furnish such license issued by respective National Drugs Licensing Authority.
9. Bidders / manufacturer should not have been convicted which includes both organization and its management (director/partner). A certificate from the State Drug Authorities should support this.
10. Bidders should either be the manufacturer or authorised agent/dealer of the manufacturer. In case the bidder is an authorized agent/dealer then a valid certificate of dealership or agency issued by the manufacturer to be enclosed along with the bid. The bidder is required to enclose along with the bid necessary certificates of the manufacturer in support of the capacity, performance, and quality.

11. **Financial Eligibility:** The required financial capacity of the bidder in terms of net worth, turnover, etc., shall be clearly specified. Financial eligibility conditions are generally given as qualification criteria to ensure that the bidders are financially sound and have the ability to continue their operations over the validity of the contract period. The bidder is required to submit supporting documents in form of latest audited accounts, etc.

*In case of rate contract for drugs and medical consumables, it is advisable that the bidder should have, in the proceeding three financial years, at least a minimum average annual turnover of 150% of the total contract value for the year. If the bidder is bidding for number of items then the total contract value shall be calculated as the aggregate value of all items at the rates offered by the bidder.*

12. **Disqualifications and Charges:**

- a) In addition, potential suppliers can be barred from participating in the bidding process under various circumstances which include:
- b) If the proprietor of the firm, its employee, partner or representative is convicted by a court of law following prosecution for offences involving moral turpitude in relation to the business dealings.
- c) The proprietor or employee or representative of the firm has been guilty of malpractice such as bribery, corruption, fraud, substitution of bids, interpolation, mis-representation, evasion or habitual default in payment of any tax levied by law; etc.
- d) If the firm employs a government servant, who has been dismissed or removed on account of corruption or employs a non-official convicted for an offence involving corruption or abetment of such an offence, in a position where he could corrupt government servants.

The potential supplier should be asked to submit a declaration signed by the Managing Director or Nominated Representative and legal representative of the firm on all such circumstances as mentioned above and specified by the bid document.

*Above eligibility criteria are not exhaustive but suggestive in nature. These criteria can vary from item to item depending upon the circumstances. It is the responsibility of the PC to specify the criterion specific to the item to be procured.*

### 5.3.7 Labeling and Packing

- (a) The supplier shall supply the stores with proper packing **and** labeling for transit so as to be received at the destination free from any loss or damage. The stores supplied by the supplier should strictly conform to the labeling provisions laid down under the Drugs & Cosmetics Act/Rules amended from time to time.

- (b) Stores shall be marked with the words in CAPITAL AND BOLD LETTERS, '**FOR SUPPLY TO GOVT. OF ODISHA, NOT FOR SALE**'. **MRP should not be printed**. Such packing shall clearly indicate the description, quantity, name and address, contract No. and date for identification. Damaged items will not be received under any circumstances.
- (c) **Supply of drugs etc., without the prescribed labeling will not be accepted and may be treated as breach of the terms of agreement with bidder liable to forfeit his security deposit, in addition to recovery of any attributed loss incurred by the purchaser.**

### 5.3.8 Specifications

The bid document shall contain complete specifications for each item to be procured. Some of the key features for determining specifications are as follows:

- a) The specifications should adequately convey the requirements to potential suppliers. The specifications should have clarity, completeness and accuracy but at the same time, it should not be unreasonably restrictive or favorable to any specific firm.
- b) Assistance of technical experts where required, whether in-house or external for specific purposes should be solicited for drawing up the most appropriate specifications.
- c) Use of drawings should be encouraged to support specifications where appropriate.
- d) Specifications will vary depending on the nature and complexity of the goods being procured. Sometimes, while purchasing sophisticated and costly equipment, the purchaser may also give special importance to Whole Life Cycle Costs (e.g. Initial Cost plus Maintenance Cost during the usable live of the asset) and factors such as high quality performance, environmental friendly features, low running cost, low maintenance cost, availability of spares, after sales service, annual maintenance contract, etc.
- e) To take care of the above point, relevant details are to be incorporated in the bid document and the criteria adopted to assess the benefit of such features while evaluating the offers are also to be clearly stipulated in the bid enquiry document so that the bidders are aware of the same and quote accordingly. Such details, whenever considered necessary, should be evolved by a competent technical authority, whether in-house or external consultants, for incorporation in the bid document, so that there is no ambiguity and/or vagueness in the same.

The specifications will differ depending on items of goods being procured. For pharmaceutical items specifications for goods and packaging need to be specified as well as an appropriate pharmacopeia reference. In the case of medical equipment the specifications shall be specified for goods, packaging, warranty and the annual

maintenance contract. A separate placement of maintenance contracts after the contract for the supply of goods is to be discouraged.

### 5.3.9 Quality Standard

The bid document should clearly specify the quality norms with respect to the product and process. The bidder is required to submit a copy of the valid quality certificates with respect to the product offered and the process (manufacturer) failing which the bid shall be consider being unresponsive. The quality standards/certification are different for different categories goods. The quality standard/certifications for different products are defined at the time of product specification with the help of technical expert. (For example: The quality certification with respect to process are different ISO series and with respect to products are CE, US FDA, BIS, etc.)

It is important to ensure that the documents furnished along with the bid in support of the quality certification of the product or item are genuine, correct and adequate. It is also important to note that provisional certificate and communication issued by the certifying authority or agencies should not be consider as valid certificate. The product name and code should be clearly mentions in the certificate in case the certification pertains to the particulate product or model.

### 5.3.10 Installation and Training

The bid document should clearly specify where the supplier is required to install the machinery or equipment and provide required training. The bid document should clearly mention following details in this respect:

- (a) Place of installation (location and position)
- (b) Name of the contact person at each site of installation
- (c) List of persons to participate in the training
- (d) Training contain, schedule and duration
- (e) Person authorized to issue necessary completion certificate
- (f) Person authorized to issue performance certificate in case of equipment

### 5.3.11 Inspection and Sampling at Consignee's End

In case of drugs, larvicides, lab chemicals, etc., the bid document should clearly spell out the quality inspection, sampling and testing norms to be adhered for post delivery quality assurance. The bid documents should include following points for better clarity:

- (a) The supplies should be accompanied with in-house, duly attested test report. After

the receipt of the consignment, the purchaser may randomly draw a sample and get that tested from any Government or NABL accredited laboratory. If the sample / samples is / are found not of standard quality, the consignment shall be rejected. Where there are visible and obvious defect in the consignment, it shall be rejected. Manufacturer will provide working standards for testing of drugs with traceability certificate for the items supplied, if required. If the product is found to be not of standard quality, the total cost of test will be recovered from the supplier. No payment will be made to the supplier for the entire consignment irrespective of the fact that part of the supplied stores may have been consumed. Payment already made shall be recovered. The supplier shall be asked to change /replace the entire quantity irrespective of the fact that some quantities might have already been consumed. Repeat of such supply may lead to the supplier getting debarred from future bidding or supplies. The test report from Govt. or NABL accredited laboratory would be final and no representation would ordinarily be entertained.

- (b) All rejected stores shall in any event remain and will always be at the risk of the supplier immediately on such rejection.
- (c) The tendering authority reserves the right to depute inspection team to the premises of supplier / manufacturer for on the spot verification of terms and conditions of the tender during the tendering process, after the finalization of tender or during validity of tender. Any firm found wanting and lacking in fulfilling the terms and conditions of the tender, by the inspection team the firm will be liable to be penalized and the matter brought to the notice of state drug controller concerned for appropriate action.

#### **5.3.12 Delivery Schedules, Consignee List and Period of Validity**

The bid document shall clearly specify the delivery schedule for the supplier. The delivery schedule should be designed considering various parameters, which include:

- a) Usage pattern of the items
- b) Stock in hand
- c) Lead time for procurement cycle
- d) Shelf life
- e) Seasonal Demand
- f) Storage Space and requirement

The time required for evaluation and award of contract should determine the period of bid validity.

The bid document should clearly specify the period of validity of the contract. In case of rate contract the contract is done normally for one year from the date of signing the contract or issue of government order.

In addition the bid document should clearly mention the list of consignee or place of delivery along with quantity, so that the bidder can take in to consideration the cost of transportation realistically before quoting a price (free at point of consignee).

### 5.3.13 Penalty & Limitations

The bid document should clearly specify the penal actions/recourses that would be available with the procuring authority for covering the losses and damages due to non-performance or short-performance of the contract. Details course of action or options available with procuring authority in case of non-performance or short performance given under **Section 9.3**.

### 5.3.14 Payment Terms

Payment terms shall be in accordance with practices applicable to the specific goods and services and in conformity with the State Financial Rules. Bid document shall clearly specify the payment method and terms offered.

An example of specified payment terms for goods can be as follows:

- a) The consignee thereof will make the payment of 100% of price of stores for each consignment after receipt and acceptance of the stores in good condition. Bills are to be supported with an Inspection Certificate issued by the Inspector/ Test Report (In case of third party testing) and Consignee's Receipt Certificate.
- b) 90% of the cost of each consignment shall be paid on proof of dispatch or delivery to the consignee and on production of a valid Inspection Certificate issued by the Inspector along with other supporting documents. The balance 10% will be payable on final acceptance by the consignee as recorded in the Final Receipt Certificate. However when advance payments against proof of dispatch is allowed, goods must be insured and endorsed to purchaser.
- c) Where the supplier is required to install the equipment or the machinery on agreed site and provide necessary training to the relevant staff for the operation and maintenance of the same, then the payment shall be subject to complete satisfaction of the same. Certificate of successful installation of the item should be obtained for the authorized person before releasing the payment. In certain cases, the procurement authority may withhold certain portion of the total payment until a post installation performance of at least for 30 days is ensured.
- c) **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 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, turnkey contracts etc. Such advance payments should not exceed the following limits:
  - Thirty per cent. of the contract value to private firms;
  - Forty per cent. of the contract value to a State or Central Government agency or a Public Sector Undertaking; or
- (iii) In case of maintenance contract, the amount should not exceed the amount payable for six months under the contract.

Departments may relax, in consultation with Internal Finance Advisor, 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.

#### **5.3.15 Maintenance Contract**

In case of equipment, instrument and machinery where CMC is applicable, the bidders should be asked to quote for the price including five years of CMS following the period of warranty. While evaluation the financial proposal the cost of CMC shall be taken in to consideration at present value along with the product cost.

#### **5.3.16 Terms and Conditions of the Contract**

In addition to the above, the bid shall highlight the key provisions of the contract including:

- a) Scope of work to be performed or quantity of goods to be procured
- b) Rights and obligations of department and of the suppliers
- c) Functions and authority of specialists, if employed by department, in supervision and administration of contract
- d) Specific conditions regarding each item being procured by department.

The bid document should include the draft of the contract. A template for contract has been provided has been provided under **section 10.4**.

The standard bidding document comprising General and Special conditions of contract has been included in Second Volume (Standard Bid Document)

#### 5.4 Modification and Alterations to Tender

The following key guidelines should be followed to make modification or alteration to bids:

- a) The bid document can be amended by issuing Addenda any time prior to the deadline for submission of the bids. However care should be taken to ensure that bidders have sufficient time to respond to the additions and/or alterations and hence it is not advisable to amend the bid document if less than **24 hours** are remaining for the bid opening deadline.
- b) All purchasers of the bidding document shall be informed in writing about the issuance of Addenda. The addendum will be binding on them. Bidders are required to immediately acknowledge receipt of any such amendment and it will be assumed that the bidder would take into account the concerned amendments while preparing the bid.
- c) The bidder shall be permitted to submit alterations/ modifications to its bid after submitting its bid within the specified deadline on the bid submission date. Such alterations/ modifications shall be duly sealed and marked like the original bid.
- d) If any additional procurement needs such as changes in quantity (in case of a fixed quantity contract) to be procured are estimated after the issue of the bid documents, such cases can be treated as fresh procurement and hence a new procurement process should be initiated. Such cases can also be addressed by awarding the increased requirement to the successful bidder as an incremental order. However, fresh bids need to be called for in case the incremental order quantity exceeds 10% of the quantity originally tendered (except in case of rate contract). However, incremental order quantity exceeding 10 % may be allowed under special circumstances as decided by the procurement authority.

#### 5.5 Tender Submission and Opening

##### 5.5.1 Receipt and Custody of Tenders

**The following key guidelines shall be followed for receipt and custody of bids:**

1. The procurement authority shall maintain a bid box for receiving the bids and in its absence, by hand delivery to nominated officials specified in the bid document
2. The location of bid box should be such to facilitate easy access to bidders.

3. The bid box shall have two locks. The key to one of the lock will be with the Chairman of the Purchase Committee while the keys for the other lock shall be with the official nominated by the head.
4. Two designated officials shall open bid box at the prescribed date and time. Bids in the box will be examined and relevant tenders for the concerned bid shall be taken out.
5. The details of the bid taken out should be entered in a register duly signed with date and time by the two officials and the entered bids shall be forwarded.
6. Receiving officials shall also sign the register for record.
7. In case due to unavoidable reasons, the bid box is not in place, bid document shall clearly mention the names and designation of at least two officers who will receive the bid.
8. The officials authorized to receive the bid shall provide a receipt signed by them with date and time to the bearer of the bid, template for which has been provided in **section 10.5**.
9. A separate register shall be maintained for keeping record of bids received by hand.
10. Bids received by hand shall be kept in safe custody by the specified authority as decided/directed by the purchase committee till the date and time of bid opening. The bids shall be handed to bid opening officials through entry into the register, in a manner as discussed above.
11. In case the bid document provides for receipt of the bid by post, such bids shall be received and documented in an identical manner as applicable to hand delivery of bid.

A template covering letter for proposal submission has been included under **Section 10.6**.

### **5.5.2 Treatment of Late Tenders**

Bids received after the specified date and time for receipt of bids shall be rejected and returned unopened to the concerned bidder.

### **5.5.3 Procedures to be followed during Tender Opening**

The bids shall be opened by the Procurement Committee or by duly authorized officials (minimum of two) among the members of the committee nominated by the Procurement Committee. The key guidelines for the bid opening process are as below:

1. All the bids shall be opened along with any amendments received before the deadline in front of authorized representatives of the bidders. The representatives who choose to be present during bid opening shall bring along a letter of authorization from the respective bidders.
2. There should typically be a time gap of 30 minutes between the deadline for receipt of bid and the opening of the bid.
3. Any bid with a withdrawal request should not be opened and returned.
4. The salient features such as the description and specifications of goods, quoted price, terms of delivery, delivery period, discount if any, EMD furnished or not, etc. shall be read out loud for the information of the respective authorized representatives and members of the public who wish to attend.
5. After the bids are opened, they should be numbered serially, initialed, and dated on the first page by the officials authorized to open the bids. All the pages of the price schedule and letters attached shall be initialed and dated by the authorized officials. Key information such as prices, delivery period, etc. is to be circled, initialed and dated. Blank bids need to be marked accordingly by authorized officials. Also bid opening shall mark the original, duplicate and triplicate copies of the bid accordingly official.
6. Alterations in bid shall be initialed with date and time by bid opening officials to certify that these alterations were present at the time of opening of the bid. Any cutting or erasing present at the time of opening of the bid shall be encircled, and initialed with date and time by the authorized bid opening official.
7. The bid opening officials shall prepare a list of the representatives attending the opening of bid and obtain their signatures on the same. The list shall also contain the representative's name and corresponding bidders' names and addresses. The authority letter brought by the representatives will be attached to this list. All bid-opening officials with date and time will sign this list.
8. The authorized officials for opening the bid shall conduct a preliminary scrutiny of the opened bids at the time of bid opening. In this context, it should be noted that the bid opening officials are not authorized to reject or return any bids, which have been opened.

#### **5.5.4 Conditions under which Tenders can be declared as 'Unresponsive'**

The initial scrutiny shall ensure that the bid meets the basic requirement as required by the bid document. The bids that do not meet the following key basic requirements are to be noted as unresponsive:

1. The bid is unsigned.

2. The bid validity is shorter than the required period. (Normally 120 days)
3. Required Earnest Money Deposit (EMD) has not been provided.
4. The bidder does not meet the eligibility criterion laid down in the tender document.
5. The bidder fails to substantially response to the technical specifications, commercial conditions set out in the bidding documents including the testing of sample where required.
6. The bidder has quoted for goods manufactured by a different firm without the required authority letter from the proposed manufacturer.
7. The bidder has not agreed to give the required performance security.
8. The bidder has not quoted for the entire quantity in the schedule as specified in the list of requirement
9. The bidder who stand deregistered/banned/blacklisted by any statutory authority as per government rules and procedures.

#### 5.5.5 Treatment of minor irregularities

Minor discrepancies like non-submission of audited reports, income tax clearance, license certificate, etc., and clarifications on minor issues in the tender (which may not lead to disqualification of bidder) are noted. The bid opening officials subject to such authority given to them may allow the bidder additional time to submit the balance document/clarifications provided it does not constitute any material deviation and financial impact and, also, does not prejudice or affect the ranking order of the bidders. This will need to be minuted in the spot report. However, it should be clearly mentioned that if balance documents/clarifications were not submitted within the specified deadline, the bid would be rejected. The ground of cancellation of bid shall be clearly specified in the bid document listing down the documents and compliances non-submission or compliance of which will lead to cancellation.

Any irregularity including immaterial deviation or absence of financial impact during the preliminary examination if found by the purchaser may be waived. The tender will be ignored in the event that there is no confirmation to the minor non-conformity (e.g. certified copy of latest Income Tax Certificate) by the tenderer within a specified date.

*The topic of deviation from tender conditions and the principles on which the deviations may be permitted has been commented upon in a host of decisions by Indian courts. In **G.J. Fernandez v. State of Karnataka**, the Supreme Court was concerned with a tender which set forth certain "minimum qualifying requirements" and also went on to require some documents "along with the application for issue of tender documents". The court held that if the tendering authority had in its wisdom decided to relax some non-*

*essential or ancillary conditions or to grant extra time for furnishing the same, that would not by itself render its conduct objectionable or the bids received consequent to such deviation bad. It held that such deviations (if made) should not result in arbitrariness or discrimination or substantial prejudice to any of the parties involved or to the public interest in general*

#### 5.5.6 Handover to the TEC

An on the spot report based on salient features of the bid as read out earlier and their initial scrutiny should be prepared by authorized officials and should be duly signed by them with date and time. The signatures of the authorized representatives shall be obtained on the same. Bid opening officials shall also fill in the bid opening checklist which shall be an appendix to the on the spot report, the template for which has been provided in **Section 10.7**. The on the spot report along with opened bids and list of representatives with authorization letters attached are to be handed over to Tender Evaluation Committee. The receiving officer as authorized by TEC shall sign the register with date and time in which details of the bids opened were entered by the bid opening officials. A template for the same has been provided under **Section 10.8**.

#### 5.5.7 Two Bid System

For effecting high value procurement of technical nature such as consulting services, high-end equipment, product, etc., the bid document shall ask the bidders to submit their bid in two parts; first part should contain the technical and commercial details about the bidder, product/service and the proposed along with all necessary supporting and details as stipulated in the bid document; whereas the second part should contain the price quotations in the prescribed format.

1. 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 according to the instructions given in the bid document.
2. The technical bids are to be opened in the first instance, at the prescribed time and date and the same will be scrutinized and evaluated with reference to parameters prescribed in the bid documents. Typically, as part of the scoring system to evaluate technical bids, a fixed pre-determined weightage shall be accorded to different evaluation parameters as with similar work executed in the past, the capability and experience of the personnel to be deputed, and suggested approach and methodology, etc. Based on the scores awarded in the individual sections the total score in the technical bid is computed. The bids reaching a total score greater than the pre-determined threshold level only, qualify for the commercial bid evaluation.
3. Thereafter, in the second stage, the financial bids of only the technically acceptable offers (as decided in the first stage above) are to be opened for further scrutiny,

evaluation, ranking and placement of contract. Financial bids of the bidders who are not technically qualified (who have not achieved the threshold point score mentioned in the bid documents) should be returned unopened. In some cases, a pre-assigned weightage is given to technical and financial bids (say 80% weightage to technical bid and 20% to financial bid) which should have been stated in the tender. The final score would be determined by calculating the weighted average of scores obtained in the technical and financial bids.

#### 5.5.8 Earnest Money Deposit (EMD)

EMD acts as a safeguard against bidder's withdrawing/ altering its bid during the bid validity period. EMD is required for both open or limited tender.

1. EMD (or Bid Security) shall be obtained from all bidders except those who are registered with Central Purchase Organization (e.g. DGS&D), National Small Industries Corporation or DIC. Industrial policy of the state also grants exemption to certain class or category of industries under different promotional initiatives. However the bidder needs to provide sufficient documentary evidence in support of the exemption along with the tender document to avail the same.
2. The EMD amount shall be deposited along with the bid. Failure of submission of EMD as per the bid requirements shall result in rejection of the bid.
3. Amount of EMD should be between 2% to 5% of the estimated value of the goods/services to be purchased. Procurement Authority based on the type of goods should decide the exact amount of EMD or services to be purchased, total value of purchase and urgency of requirement and should be specified in the bid document.
4. The EMD can either be in the form of bank guarantee, Account Payee Demand Draft, Bankers Cheque, Fixed Deposit or any other instrument as specified in the bid document
5. While deciding on the financial instruments acceptable as EMD, the ease of liquidating it independently should be given paramount importance.
6. If the bidder supplies the EMD as Bank Guarantee, it shall be immediately verified from issuing bank.
7. The bid security is normally to remain valid for a period of 45 days beyond the final bid validity period.
8. *EMD is sought in case of procurement of goods and works. In case of tender that involves procurement of services (like; appointments of consultants, Auditors, professionals, etc.) EMD may not be a requirement.*

A template for EMD security has been included in **section 10.9**.

### 5.5.9 Forfeiture of Earnest Money Deposit

The EMD shall be forfeited in the following circumstances:

1. If the bidder withdraws from the bid in any respect within the period of validity of the bid.
2. If the bidder modifies his bid during bid validity.
3. If the bidder fails to furnish the required performance security within the specified period after the award of the contract.

### 5.5.10 Refund of Earnest Money Deposit

The EMD should be refunded in the following circumstances:

1. The EMD submitted by unsuccessful bidders shall be returned to them without any interest whatsoever, within 30 days after conclusion of the contract with successful bidder.
2. The EMD submitted by the successful bidder should be returned after the successful bidder deposits the performance security according to conditions stipulated in the bid document and signs the contract.
3. The EMD submitted by a bidder should be returned in case it decides to withdraw its bid before the time and date of bid opening.

## 5.6 Tender Evaluation

TEC meets to evaluate the bids received. Some of the key procedures to be followed during the bid evaluation are listed below:

1. Based on the on-the-spot report the TEC may decide to reject certain bids.
2. TEC shall address discrepancies in quoted prices if observed in any of the bid as specified under **Section 5.6.1**.
3. TEC shall determine whether the bid meets the eligibility criteria as specified in tender document.
4. TEC shall evaluate whether the bid adheres to the specifications as contained in the bid document.
5. TEC shall determine whether the bid is conditional. Conditional bids should be rejected by TEC.

A tender evaluation template has been provided under **Section 10.10**.

### 5.6.1 Discrepancy resolution and qualification check

#### *Discrepancy of quoted prices*

Sometimes, non-conformities/errors are also observed in quoted prices. These can be corrected by TEC as indicated below:

1. If, in the price structure quoted for the required goods, there is discrepancy between the unit price and the total price (which is obtained by multiplying the unit price by the quantity), the unit price shall prevail and the total price corrected accordingly, unless in the opinion of the officials assigned for initial scrutiny there is an obvious misplacement of the decimal point in the unit price, in which case the total price as quoted shall govern and the unit price corrected accordingly.
2. If there is an error in a total corresponding to the addition or subtraction of subtotals, the subtotals shall prevail and the total shall be corrected accordingly.
3. If there is a discrepancy between words and figures, the amount in words shall prevail, unless the amount expressed in words is related to an arithmetic error, in which case the amount in figures shall prevail subject to above-mentioned conditions.
4. The observations of the scrutiny officials shall be communicated to the bidder with target dates to respond. If the bidder does not agree with the observations of the concerned officials, the bid shall be rejected.

#### *Discrepancy between original and additional copies of the tender*

Sometimes discrepancies are also observed between the original copy and the other copies of the same bid set. In such a case, the text etc. of the original copy will prevail. The observations of the TEC shall be communicated to the bidder with target dates to respond. If the bidder does not agree with the observations of the TEC, the bid shall be liable to be ignored.

#### *Check for qualification criteria*

The remaining bids, those that have not been declared unresponsive till now, will be checked for the qualification criteria as incorporated in the bid enquiry. Bids not meeting the qualification criteria shall be declared unresponsive and hence ignored. The details of these bids along with reasons for being declared unresponsive shall be recorded in the procurement register.

For example, the qualification criteria incorporated in the bid enquiry document stipulates, that the bidder should have successfully manufactured and supplied 150

pieces of the required goods during the last one year from the date of bid opening. A bid during the initial scrutiny is found to be responsive; however, thereafter, while scrutinizing the data furnished by it with respect to qualification criteria, it is observed that they had manufactured and supplied only, say, 100 pieces of the required item during the last one year. This bid will, therefore, become unresponsive.

#### ***Recording of unresponsive tenders***

Details of all unresponsive bids shall be recorded in the procurement register. The reasons for these bids being declared unresponsive and hence ignored shall also be recorded alongside.

### **5.6.2 Scrutiny of Responsive Tenders**

Bids which meet the following criteria as assessed by the TEC shall constitute responsive bids and would be considered for evaluation and ranking:

1. Bidders who have provided the requisite EMD
2. Bidders who meet all the eligibility criteria
3. Bidders who meet the qualification criteria including adherence to specifications and other terms and conditions including delivery terms as given in bid document.
4. Bidders who submits bids with at least the desired period of bid validity

### **5.6.3 Evaluation and Ranking of Responsive Tenders**

The following key guidelines shall determine the evaluation and ranking of responsive bids:

1. All the applicable components of the costs, as quoted in the responsive bids, are to be added to work out the total evaluated costs of the bids. The evaluation is also to include applicable taxes, duties, transportation cost, etc. in the bid prices. Further, if the bid enquiry document provides for any price preference and/or purchase preference for Small Scale Industries/Public Sector Units etc., the same is also to be kept in view while evaluating such bids.
2. After completing the entire evaluation process for the responsive bids on equitable basis as above, a comparative statement of the finally evaluated prices is required to be prepared.
3. If the list of requirements contains more than one schedule, then offers for each schedule are to be evaluated and ranked separately in self-contained manner on above lines. In case a bidder offers special discount if more than one schedule is

ordered on it (and if the same is permissible as per terms of the bid enquiry document), the same should also be taken note of in the ranking statement.

4. The purchaser, through the process of tender scrutiny and tender evaluation will determine to its satisfaction whether the tenderer, whose tender has been determined as the lowest evaluated responsive tender is eligible, qualified and capable in all respects to perform the contract satisfactorily.
5. The above-mentioned determination will, interalia, take into account the tenderer's financial, technical and production capabilities for satisfying all the requirements of the purchaser as incorporated in the bid document. Such determination will be based upon scrutiny and examination of all relevant data and details submitted by the tenderer in its tender as well as such other allied information as deemed appropriate by the purchaser.
6. The comparison of the responsive tenders shall be carried out based on the terms of delivery as asked for in bid document. **The quoted turnkey prices and CMC prices will also be added for comparison purpose for evaluation.**

#### 5.6.4 Cancellation of Tendering Process

The following guidelines should be followed for cancellation of the bidding process:

1. The cancellation of bids should be done in exceptional circumstances where there is a valid reason for the same. In normal cases the bid should be awarded to lowest evaluated responsive bid.
2. Effort should be made to incorporate any changes in requirement before the deadline for submission of bids by issuing addenda.
3. The bidding process can also be cancelled if none of the bids meet the specified requirements. In such cases the necessary changes shall be made in the scope of the bid and specifications, and thereafter notification for a fresh bid shall be issued.
4. The bidding process should also be cancelled where TEC has reasons to believe that bidders have colluded among themselves to undermine the bidding process.
5. In case of cancellation of the bidding process, necessary steps should be taken to inform the cancellation and refund of EMD to bidders.

## 5.7 Award of Contract, Contract Execution and Disclosure

### 5.7.1 Recommendations for Award of Contract

TEC shall forward its recommendation in the form of a report to PC. The report shall clearly specify the reasons for its recommendations. PC will consider the report and grant approval for awarding the contract to the successful bidder.

PC will award the contract to the lowest evaluated responsive bid within the bid validity period. The PC may undertake negotiation with the lowest evaluated bidder only in case the lowest evaluated price is not reasonable.

### 5.7.2 Notification for Award of Contract to Successful Bidder

The following key guidelines would be observed for issuing notification for the award of contract:

1. Before expiry of the bid validity period, the purchase organization shall notify the successful bidder in writing, that its bid (briefly indicating therein relevant details such as quantity, specification of the goods ordered, prices etc.) has been accepted.
2. In the same communication, the successful bidder is to be instructed to furnish the required Performance Security within a specified period (generally 21 days).
3. Timelines should be specified for post evaluation activities like contracting signing, contracting start and completion dates in the notification for award of contract.
4. Promptly after the above notification, Department or any other tender inviting authority shall issue the contract to the successful bidder asking therein to sign and submit the contract and performance guarantee within the specified time.
5. The letter should make a reference to the clause on Performance Security stating that in case the successful bidder does not furnish the required performance security or does not accept the contract within the stipulated target dates, such non-compliance will constitute sufficient ground for forfeiture of its EMD and processing the case for further action against it (the successful bidder).
6. Information should be sent to unsuccessful bidders regarding the award of contract and their EMD should be returned as specified earlier. In this discussion only the bidder's bid would be discussed and not the bids of the competitors. This is not permitted under procurement law. However, the bidder can have the copies of the documents under Right to Information Act (RTI).
7. A template for notifying award of contract is provided under **Section 10.11**.

### 5.7.3 Acknowledgement of Contact by Successful Bidder

The supplier should acknowledge and unconditionally execute the contract within the specified deadline. In case the bidder is not willing to unconditionally execute the contract within the specified timeframe, the EMD submitted will be liable for forfeit as specified in the bid document.

### 5.7.4 Publication of Tender Result

The name of the successful bidder who has been awarded the contract should be mentioned in the notice board/bulletin/web site of department or procuring agency.

## 5.8 Performance Security

### 5.8.1 Purpose of the Performance Security

Performance security acts as a safeguard against unsatisfactory performance or violation of contract agreement by the supplier on the contract.

1. Performance security shall be solicited from all successful bidders irrespective of their registration status, etc.
2. Ordinarily, performance security shall be an amount between five to ten percent of the value of the contract as stated in the bid document.
3. Performance security may be furnished in form of an Account Payee Demand Draft, Fixed Deposit Receipt from a Scheduled bank or Bank Guarantee from a Scheduled bank in the prescribed format given as annexure to the bid document.
4. Bank Guarantees supplied by the bidder as performance security shall be immediately verified from issuing bank.
5. Performance security is to be furnished by a specified date (generally 21 days after notification of the award) 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.
6. The provision of performance security may be waived in specific cases procurement of services (like; appointments of consultants, Auditors, professionals, etc.) with the approval of the competent authority.
7. **In case of rate contract**, where quantity of goods and schedule of delivery are specified in the bid document, performance security shall be collected on the estimated value of the goods to be procured during the year at the specified rate. Where the actual order exceeds the estimated quantity or value then addition

performance security shall be demanded for the differential amount from the seller/supplier.

A template for performance security has been included under **Section 10.12**.

### **5.8.2 Forfeiture of Performance Security**

Liquidation of damages and other claims are to be adjusted against the performance security, in case of any failure or breach of contract in the part of the supplier.

### **5.8.3 Refund of Performance Security**

If the supplier duly performs and completes the contract in all respect, the performance security shall be returned to the supplier without any interest, no later than sixty days of completion of all such obligations under the contract.

## **5.9 Warranty/Defects Liability Period**

1. In cases where warranty is required, the requirements shall be clearly specified in the contract. The warranty period shall be calculated from the time of delivery (commissioning or installation) of the goods, or as specified in the contract document.
2. The supplier shall compensate all losses due to defects resulting from faulty design, materials and workmanship during the warranty period.
3. In case of any defects detected in items under warranty, the users shall notify procurement authority about the same. Procurement authority shall promptly notify the supplier in writing for any claims arising from such defects. If the supplier does not rectify the defect within the specified time period, procurement authority shall take necessary actions to claim compensation at the supplier's expense.

## **5.10 Safe Custody and Monitoring of EMD, Performance security and others**

1. Suitable mechanism for safe custody, etc. and monitoring of EMDs/ Performance Securities and other Instruments should be evolved and implemented by the procuring authority.
2. Institutional arrangements shall be put in place by the procurement authority for taking all necessary action on time for extension and encashment or refund of EMDs and Performance Securities, as the case may be.
3. Procurement authority shall monitor monthly all Bank Guarantees and other instruments expiring after three months, along with the review of the progress of the corresponding contracts.

4. Procurement authority shall ensure that the extension of Bank Guarantees and other instruments, where warranted, are sought immediately and implemented within their validity period.

### 5.11 Fall Clause

The bid document should include a “Fall Clause” clearly specifying that the prices charged for the goods supplied under the Rate Contract by the selected party shall in no event exceed the lowest price at which it sells the Stores or offer to sell stores of identical description to any person(s)/organisation(s) including the Purchaser or any Department of the Central Government or any Department of a State Government or any statutory undertaking of the Central or a State Government, as the case may be, during the period till performance of all Supply Orders is completed.

If at any time during the currency of the contract if the seller/supplier reduce the Sale price, sell or offer to sell such goods to any person(s)/organisation(s) including the Purchaser or any Statutory Undertaking of the Central or a State Government, as the case may be, at a price lower than the price chargeable under this Contract the party will forthwith notify such reduction or Sale or offer of Sale to the authority and the price payable under the Contract for the goods supplied after the date of coming into force of such reduction or sale or offer of sale stand correspondingly reduced.

## 6 Goods Receipt and Quality Assurance

This specifies broad guidelines for receipt and storage of goods including inspection procedures for ensuring adherence to quality standards. The following activities have been covered in the current chapter:

- a) Quality assurance (QA) through inspection and sampling
- b) Notification of delivery to consignee
- c) Receipt of consignment
- d) Storage
- e) Quality assurance after receipt of goods

### 6.1 Quality Assurance through Inspection and Sampling

Before accepting the ordered goods, it must be ensured that the goods supplied have been manufactured as per the required specifications provided in the contract.

Technically qualified and competent personnel should carry out the required inspections, checks and tests.

### 6.1.1 Stages and Modes of Inspection

The stages and modes of inspection will depend on the nature of the goods, total value of the contract, location of the supplier, location of the user, etc. The following types of inspection may be adopted:

#### ***Pre-dispatch Inspection***

This type of inspection is conducted during the manufacturing process and on the finished products before dispatch of the goods from supplier's premises. Depending on the items to be purchased, the PC will decide whether pre-dispatch inspection is required. When a consignment is ready for dispatch, the supplier will inform Procurement Authority in writing that the consignment is ready for inspection. Procurement Authority then instructs its designated inspection agency to carry out the inspection. The bid documents and contract shall clearly specify as to who will bear the cost of the pre-dispatch inspection.

#### ***Inspection on Receipt at Consignee's/User's Site***

Such inspection is done on receipt of goods by the end user before acceptance is given. Procurement authority or the end user has the right to reject the goods on receipt at site during final inspection even though the goods have already been inspected and cleared at pre-dispatch stage.

#### ***Inspection after Installation and Commissioning of Equipment at User's Site***

This method is adopted to check the performance and output of the equipment after the same is commissioned at site. The equipment is accepted post issue of inspection/installation certificate by the inspecting authority. When equipment is ordered with spares, Inspection Report for spares should not be issued before acceptance of main equipment.

#### ***Inspection from Outside Laboratories***

Sometimes it becomes necessary for the procurement authority to conduct type test, acceptance test or special test at outside laboratories, when facilities for these tests are not available in-house with the supplier or carrying out of confirmatory tests is considered desirable before accepting the goods.

- a) Procurement authority should draw up a list of approved laboratories for this purpose, to which the samples drawn from the lots offered by the supplier can be sent for tests.
- b) The list should also contain approved laboratories, which can be used as referral/appellate laboratories for retest, when samples tested at one laboratory are decided to be re-tested.

- c) In cases where the samples are to be tested at supplier's cost on account of non-availability of their own testing arrangements, the responsibility of depositing the testing fee, etc. would rest with the supplier. This is also the case with pre-dispatch certificates

The accredited laboratories should do testing. In case of drugs and pharmaceuticals testing should be done only at NABL accredited labs.

### 6.1.2 Inspection Procedure

The inspection procedure will be as per the provisions contained in the contract. Some of the key guidelines for inspection are listed below:

- a) After satisfactory inspection and tests, the accepted goods shall be stamped, labeled, marked or sealed, depending on the circumstances in such a way as to make subsequent identification of accepted lots easy for the consignee/user.
- b) For goods not meeting the contract specifications the 'Rejection' Inspection Report shall be issued immediately. The inspection charge for rejection shall be borne by the supplier without exception.
- c) A time limit shall be fixed for issue of Inspection Report.
- d) Facsimile detailing the goods inspected (i.e. batch number, sample, etc.) along with the Inspection Certificate should be sent to the consignee.
- e) Procurement authority should ensure that paying authorities keep a record of specimen signature of authorized Inspecting Authorities for verifying the same with the signature in the Inspection Report while authorizing payment.
- f) Procurement authority must select a set of accredited testing laboratories for testing the samples and select an inspection agent qualified to conduct random sampling in accordance with ISO requirements. Procurement authority should request for a written confirmation from the supplier that the supplier will accept the results of the testing laboratory chosen for qualification and compliance testing. The name of the testing laboratory should be incorporated in the bid document and contract. The bid document/contract should also clearly specify the procedure for sample collection.
- g) The inspection and quality control procedures should be clearly mentioned in the bid document/contract for procurement of kits where kits maybe assembled by another party before supplying to the purchaser.

### 6.1.3 Documentation of Inspection Findings

Some of the key steps pertaining to documentation of inspection findings are listed below:

**Inspection Report**

The Inspection Report contains two parts viz., Inspection Certificate and Consignee Receipt Certificate. The Inspection Certificate portion is completed, authenticated and issued by designated inspection personnel. Consignee's receipt certificate portion is to be filled by the consignee after receipt of the goods at destination, verification of the quantity, inspection marks on the accepted stores and taking the supplies in their stocks signifying their acceptance. The payment authorities for clearing the suppliers' bills require the Inspection Report.

**Preparation of Inspection Report**

A separate Inspection Report must be prepared for each consignment received. In the case of large consignments, the issue of Inspection Report may not be held up until the inspection of the entire consignment is completed but these may be issued for particular lots/batches inspected and accepted.

**Issue/distribution of Inspection Report when supplies are accepted**

Inspection Report having a unique number is printed in sets of 4. On the top of each leaf the details for whom the copy is meant is printed. The copies of Inspection Report to be made out and distributed by the stores/ consignee when the supplies are accepted in full or in part shall be as under:

COPY	ISSUED TO
Supplier's Copy	Supplier
Stores Copy	Stores In Charge
User Department's Copy	HoD
Account's Copy	FA/Accounts Officer

**Custody of Inspection Report**

- a) For reasons of security and to avoid irregular or incorrect issue, the blank pre-printed formats of the certificates should be machine numbered and wherever possible different colour copies marked for each user.
- b) An account of the Inspection Report issued with serial number wise details shall be maintained in an appropriate register.
- c) The procurement authority should also develop a foolproof system to avoid any fraudulent and unauthorized use of the blank pre-printed certificates.

#### 6.1.4 Notification of Delivery to Consignee

The supplier shall issue notification of delivery or dispatch in regard to each and every consignment to the procurement authority and the consignee.

- a) The supplier shall further supply to the consignee a packing account quoting number of Supply Order and the date of dispatch of the stores.
- b) All packages, containers, bundles and loose materials part of each and every consignment shall be fully described in the packing account and full details of the contents of the packages and quantity of materials shall be given to enable the consignee to check the stores on arrival at destination.
- c) The railway receipt, consignment note or the bill of the lading, if any, should be drawn in the name of the consignee and should be sent to him by registered post acknowledgement due immediately on dispatch of stores, quoting the Number(s) and date(s) of the corresponding Inspection Report(s) in relation to the stores covered by the said Railway Receipt, the consignment note or the Bill of Lading, as the case may be.
- d) The supplier shall bear and reimburse to the purchaser, demurrage charges, if any paid by the reasons of delay on the part of the supplier in forwarding the Railway receipt, consignment note or bill of lading.
- e) In case contracts having provision of payment against proof of dispatch it is must to have transits insurance coverage in favour of the buyer to avoid any likely loss during transport.

#### 6.1.5 Receipt of Consignment

Some of the key considerations for receipt of consignment are given below:

- a) At the time of the delivery of the goods, the consignee should accept the stores on “said to contain” basis and should issue the provisional receipt certificate.
- b) After opening the packages and detailed examination of the stores the consignee will issue the final acceptance certificate if he is satisfied with the quality of the goods post inspection.
- c) Notwithstanding the pre-qualification or the inspection of the goods by the inspection agency, consignee has the right to further inspect and test the goods but within a reasonable time (say upto 60 days) and if the goods fails to meet the specifications given in the contract, he should reject the goods and ask the supplier to replace the goods or rectify the defects, indicating clearly in writing the reasons for such rejection.

## 7 Record Keeping and Reporting

This specifies broad guidelines for record keeping, reporting of goods and services and monitoring of the procurement process as well as supplier performance. The following activities have been covered in the current chapter:

- a) Procurement Register
- b) Contract Monitoring
- c) Supplier Performance Management

### 7.1 Procurement Register (PR)

There shall be a procurement register maintained by Procuring Authority which shall be used for recording key information which includes:

- a) The PR would record the following information relating to the procurement process:
  - ✓ Date of request for procurement/Indent/Planned Procurement Activity
  - ✓ Procurement Number
  - ✓ Mode/ Method of Procurement
  - ✓ Date of invitation for bids
  - ✓ Date of decision of PC
  - ✓ Contract date and number
  - ✓ Name(s) of supplier(s)
  - ✓ Codes, unit size, short description and quantity of units, unit price, total cost per item and expected delivery date
  - ✓ Date of delivery and the total quantity delivered
  - ✓ Stores receipt voucher date and number
  - ✓ Remarks

The PR should contain records for Invitation for Bid, Notification of Contract and the Contract. These documents shall help Procurement authority in monitoring the progress of procurement process. The Procurement Authority shall allocate the responsibility for maintenance of PR to a designated officer.

- b) The official entrusted to maintain the PR shall ensure that all documents are filed centrally in a sequential order. Different procurement activity will be filed in a separate file.

## 7.2 Filing Structure

Some of the broad guidelines for the filing structure are presented below:

- a) A general box labeled “PG” (Procurement General) shall be used to record the following documents for each project:
  - 1. Reference number list for bulky bid documents
  - 2. Contracts with separate filing for goods and services
- b) All boxes/ drawers shall have computer printed labels for clear legibility. The boxes used for filing goods related contracts shall be marked “G” whereas those for services will be marked “S”. Goods related contracts are to be filed in Goods Box whereas those related to services are to be filed in Services Box.
- c) Different boxes for different products (goods/ services) shall have individual folders for the following items:
  - 1. Each procurement step for the contract concerned
  - 2. A folder for complaints
  - 3. A folder for procurement review or technical audits
- d) Large boxes shall be created for storing bulky documents like:
  - 1. Prequalification and bidding document
  - 2. Consultant’s proposal
  - 3. Contract documents

These documents shall be provided a reference number and the reference list shall be placed in each Procurement General box for the project for their easy traceability.

## 7.3 Filing Folders

Some of the key folders for proper filling of the procurement process are listed below:

### 7.3.1 General Folders

The general folder shall consist of the folders such as:

- a) Basic Document Folder, which contains the list containing reference number and notice for invitation for bids, request for expression of interest and publication date and the responses of interested firms in case of consultancy services.
- b) Procurement Review Folder
- c) Box for bulky documents

### 7.3.2 Specific folders for goods

Specific folder for recording documents related to procurement of goods shall consist of folders such as:

- a) Complaints Folder
- b) Bid launching folder
  - ✓ Procurement notice for the specific procurement with the date of issue.
  - ✓ Bid document sold
  - ✓ Modifications/ alterations to the bid
  - ✓ No objection from the donor for draft bidding document in case of donor funded procurement.
- c) Bid Evaluation folder
  - ✓ On-the-spot report of the bid opening official
  - ✓ Clarifications requested by bidders and written clarification provided for the same
  - ✓ Bid evaluation report and recommendations as submitted by TEC to PC.
  - ✓ PC's recommendation for award of contract based on the TEC's report.
  - ✓ Comments of the Secretary and Minister where applicable/ Comments of the donor agency if applicable
  - ✓ No objection and authorization to negotiate from the donor agency in case of donor financed procurement
- d) Bid Award Folder
  - ✓ Copy of the letter of acceptance as received from the successful bidder
  - ✓ No objection to signed contract

- ✓ Copy of the signed contract
- e) Contract Management Folder
  - ✓ Contract amendments
  - ✓ Inspection certificates
  - ✓ Payment certificates
  - ✓ Completion certificates
  - ✓ Copies of guarantees
  - ✓ Claims and Disputes

### 7.3.3 Consultancy Services

Specific folders for recording documents related to procurement of consultancy services shall consist of folders such as:

a) ***Complaints folder***

b) ***Proposal launching folder***

- ✓ No objection of the donor agency to the shortlist of organizations based on expression of interest.
- ✓ Expression of Interest
- ✓ Evaluation of Expression of Interest
- ✓ Letters to Qualified Interested Parties (QIP)
- ✓ Draft Request for Proposal (RFP) and Terms of Reference (TOR)
- ✓ No objection/ comments of the donor agency to draft RFP
- ✓ Notice of RFP sent by procurement authority to selected firms

c) ***Proposal Evaluation folder***

- ✓ Commercial and Technical proposals
- ✓ Opening of the technical bids received by Procurement Authority.
- ✓ Evaluation report and recommendation by the TEC

- ✓ No objection and authorization to negotiate from the donor agency in case of donor financed procurement

d) ***Proposal award folder***

- ✓ No objection of donor agency to the draft contract
- ✓ Copy of the signed contract
- ✓ Letter to the donor agency with the copy of signed contract enclosed

e) ***Contract Management Folder***

- ✓ Deliverables
- ✓ Contract Amendments
- ✓ Consultant Reports
- ✓ Technical Assistance Reports
- ✓ Claims and Disputes
- ✓ Folder containing contract with individual consultants with each consultants name on the top and his CV and assessment if employed before
- ✓ Folder for procurement reviews and audits

#### 7.4 **Contract Monitoring**

- a) Copies of the signed contract should be distributed to all parties involved such as end users, accounts office, etc. This will facilitate better monitoring of the contract.
- b) Respective wings/divisions within the department/institution shall be responsible for monitoring correct and timely completion of contracts. The requisite guidelines for proper monitoring shall be provided in the schedule of requirements, the delivery terms and other such documents that form part of the agreed contract.

#### 7.5 **Supplier Performance Monitoring**

Procurement authority shall ensure proper monitoring of vendor's performance after the signing of the contract. Monitoring should ensure that vendors adhere to contract terms, performance expectations are achieved (e.g. timely deliveries, quality of goods supplied, adherence to proper procedure for submitting invoices, etc.) and any problems/issues are identified and resolved in a timely manner. Without a sound monitoring process, the procurement authority will not have adequate assurance that it has received what was contracted for. The respective wings or divisions are responsible

for performance monitoring for contracts pertaining to their directorate. It shall be ensured that a copy of the performance monitoring report is made available to the head of the user institution as well as to the head of all procurement authorities in order to maintain proper enforcement of the contract. Procurement authority shall formulate the procedures governing such performance monitoring. Copies of the report should also be provided to the Tender Evaluation Committee and Purchase Committee for assessing the past performance of the bidder prescribes payment term variations depending on past performance of the vendors. A template for vendor performance management is provided under **Section 10.13**.

## 8. Procurement of Services

### 8.1 Introduction

Department or other procuring agency under the department may hire external professionals, consultants or consultancy firms for a specific job of work, which is well defined in terms of content and timeframe for its completion. Such services include training, workshops, distribution services, research and studies, printing and distribution of material through an agency, Project Management, etc. In this chapter, we provide guidelines for procuring these kinds of typical services.

### 8.2 Procurement Methods

For procuring services, the following procurement methods shall be used

- a) Competitive Selection (Limited & Advertised)
- b) Single Sourcing

It should be noted that single sourcing should be used only in specific cases as explained in **Section 8.3** below. Single sourcing generally does not provide the benefits with regards to quality and cost. Many a time, it is also non-transparent. Therefore, single sourcing should be used only in exceptional cases. In general, competitive bidding should be encouraged for procuring various services. **Section 8.4** explains the several steps to be undertaken during a competitive bidding process.

### 8.3 Single Sourcing

Single source selection may be appropriate only if it presents a clear advantage over competition and on account of the following reasons:

- a) For tasks that represent a natural continuation of previous work carried out by the firm.
- b) Where a rapid selection is essential (emergency operation).

- c) For very small assignments (say up to Rs. 2 Lakhs);
- d) When only one firm is qualified or has experience of exceptional worth for the assignment.

*The proposal for single sourcing shall require approval at highest level (Exp: Administrative Head in case of the Department).*

#### 8.4 Competitive Selection

The competitive selection method is the most preferred method for selecting e.g. consultants. This process is a more efficient procurement method and ensures equal participation opportunity to all participants and thus helps reduce costs and procure better quality services. There are two main types of competitive bidding which promote better quality services and contain costs.

1. Competition on the basis of technical and financial proposal (also referred as two part bidding process)
2. Competition on the basis of technical proposal (also referred as one part bidding process)

The competitive procurement process for services shall entail several key steps which include:

- a) Establish the need for the Assignment or Outsourcing the Services
- b) Preparation of the Scope of Work and Terms of Reference (TOR)
- c) Preparation of Cost Estimate and the Budget
- d) Formulation of the Contracting Strategy
- e) Advertising of the Expression of Interests
- f) Preparation of the Shortlist of Consultants
- g) Preparation and issue of Request for Proposal (RFP)
- h) Receipt of Proposals
- i) Opening and Evaluation of Technical Proposals (first part)
- j) Evaluation of Financial Proposal (in case of two part bidding process)
- k) Award of the Contract to the Firm selected based on both financial and technical proposal

A flow chart explaining the procurement process for a typical consultancy service is presented in next page. The following sub-sections explain the key steps/ elements of the competitive bidding process.

#### 8.4.1 Scope of Work

Procurement authority should prepare in simple and concise language the requirements, objectives and the scope of the assignment. The eligibility and the qualifying criteria to be met by the consultants also should be identified at this stage.

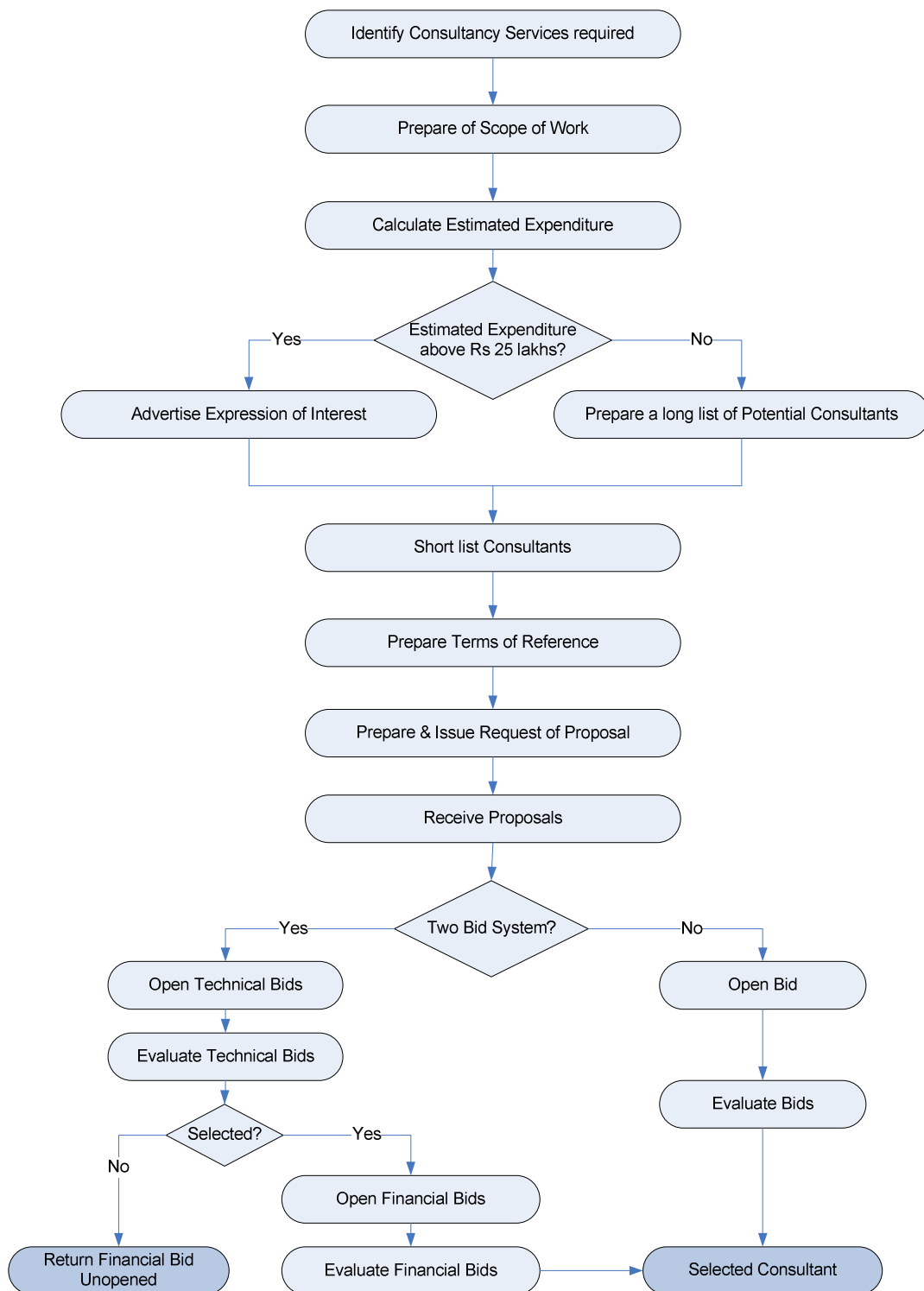
#### 8.4.2 Cost Estimation and Budget

Procurement authority should estimate reasonable expenditure for the envisaged services by ascertaining the prevalent market rates for similar assignment and/ or expenditures incurred by them or any other organization in similar assignments. The Cost Estimates or Budget should also be based on the assessment of the resources needed to carry out the assignment, staff time, logistical support, and physical inputs (for example, vehicles, office space and equipment). Costs shall be divided in to three broad categories:

- a) Fee or Remuneration;
- b) Reimbursable Costs; and
- c) Miscellaneous Expenses.

#### 8.4.3 Identification of Likely Source and Short Listing of Consultants:

- a) Where the estimated cost of the service is upto a stipulated amount (Rupees twenty-five lakhs or such other value as may be prescribed from time to time), Procurement authority might prepare a long list of potential consultants on the basis of past experience in similar assignments and through formal or informal enquiries from other Ministries, Departments or organizations involved in similar activities, Chambers of Commerce and Industry, Association of consultancy firms etc.
- b) Where the estimated cost of the service is above a particular amount (Rupees twenty-five lakhs or such other value as may be prescribed from time to time), an enquiry for seeking 'Expression of Interest' (EoI) from consultants should be advertised in at least one national daily and department website. The web site address of should be mentioned in such advertisements.
- c) **Short listing of consultants:** On the basis of the responses received from the interested parties in the manner as mentioned above, consultants/ consulting firms meeting the requirements should be short listed for further consideration. The number of shortlisted consultants/consulting firms should not be less than three.

**Flow chart explaining typical tendering process for consulting services**

#### 8.4.4 Expression of Interest

For all contracts greater than the stipulated amount (Rs 25 lakhs or such other value as may be prescribed by the state government from time to time), advertisement through suitable mediums should be undertaken to invite Expression of Interest from potential service providers.

1. Enquiry for seeking Expression of Interest should include:
  - a) In brief, the broad scope of service
  - b) Eligibility and the qualification criteria to be met by the consultant(s) and
2. Interested service providers are required to respond through an Expression of Interest, which typically comprises of following information:
  - a) Brief write up on the consultancy firm including organization structure, manpower strength, etc.
  - b) Abridged CVs of the proposed team members
  - c) Previous experience in similar type of assignment
  - d) Financial statement of the organization for last 3 years.
3. The consultants may also be asked to send their comments on the objectives and scope of the work. Adequate time, generally not less than 30 days, should be allowed for getting responses from interested consultants.
  - a) The Technical Evaluation Committee should evaluate the EoI's and short list at least 3 consulting firms
  - b) The parameters of evaluation shall include
    - ✓ Past experience in handling similar projects
    - ✓ Strength of their manpower to handle the assignment
    - ✓ Financial Strength to carry on the assignment

**Section 10.14** provides a template for evaluating the consultants.

#### 8.4.5 Terms of Reference

Procurement authority should prepare the Terms of Reference (ToR) for the assignment. Those who have sufficient knowledge and experience in the area of the assignment should prepare ToR. In case, such experienced personnel are not available in-house, the

task of preparing the ToR can also be assigned to an experienced expert. The ToR should include:

- a) Background information
- b) A precise statement of objectives/ purpose of the assignment
- c) An outline of the tasks to be carried out
- d) A schedule for completion of tasks
- e) Expected input of key professionals (number of experts, kind of expertise required etc.)
- f) The support/inputs provided by the client
- g) The final outputs that will be required of the Consultant
- h) Proposed schedule for completing the assignment
- i) Reports/ deliverables required from Consultant

The Procurement Committee shall approve the terms of reference document.

#### **8.4.6 Request for Proposal**

The short listed firms shall be sent a Request for Proposal (RFP) which shall comprise of the following documents:

- a) A Letter of Invitation (LOI): The LOI shall state the intention of Procurement Authority to enter into a contract for the provision of consulting services, the details of Procurement Authority, and the date, time and address for submission of proposals.
- b) Instructions to Consultants: The instruction to the consultants generally consists of two parts, a) Standard Information and b) Assignment specific information. Some of the key information to be provided include:
  - ✓ Goals and Objectives of Procurement Authority to enter into contract for provision of consulting services
  - ✓ Sources of fund
  - ✓ Relevant details regarding Procurement Authority.
  - ✓ Background and nature of the contract

- ✓ Date by which services should commence
  - ✓ Mode of submission of proposals
  - ✓ Address at which proposals need to be submitted
  - ✓ Criteria for evaluation
- c) Terms of Reference (as described in section 8.4.5)
- d) Draft contract agreement: The draft contract should mention the general and specific terms and conditions.
- e) Standard formats for technical and financial proposals. Such formats include:
- ✓ Format for letter of proposal submission
  - ✓ Format for Consultant's organization and experience
  - ✓ Format for Team Composition
  - ✓ Format for Curriculum Vitae of key professionals
  - ✓ Format for relevant citations
  - ✓ A summary sheet of the cost estimate to be quoted by the consultant

**Section 10.15** provides some of the key templates, which can be included in the RFP.

The RFP should also mention the date and time by which the consultants can seek clarifications on the same. All clarifications should be submitted in writing by the short listed consultants. Procurement Authority should clarify such doubts by a particular date. Such date can also be mentioned in the RFP. A letter clarifying such doubts should be issued to all selected consultants. The clarifications can also be put in website.

#### **8.4.7 Submission of Proposals**

Procurement authority shall allow sufficient time to the bidders for submitting the proposals. The exact time given for bid preparation shall depend on the nature of the assignment and should be clearly specified in the RFP. Procurement Authority may at its discretion extend the deadline for proposal submission. In such cases all short-listed firms should be duly informed. The bidders would not be allowed to amend their bids after the deadline for submission of proposals. Typically for procurement of consultancy services, especially those that are complex in nature, bidders are required to submit separate technical and financial proposals. The proposals would be opened by at least two bid opening officials authorized by the Procurement Committee.

The consultants should submit proposals in 'Two-bid' system with technical and financial bids sealed separately. The bidder should put these two sealed envelopes in larger envelopes duly sealed and submit the same to designated procurement authority by the specified date and time at the specified place. On receipt, the technical proposals should be opened first open by the PC at the specified date, time and place. The bid submission and bid opening procedures will be similar to as described in **Chapter 5** (Tendering).

#### 8.4.8 Bid Evaluation

The bids would be evaluated by the Tender Evaluation Committee based on any one of the above pre-determined evaluation procedures. The Integrated Purchase Committee for approval of such recommendations shall take up the recommendation report of the Tender Evaluation Committee.

In the two-bid system, the technical bids should be evaluated first by Technical Evaluation Committee. The TEC shall record in detail the reasons for acceptance or rejection of the technical proposals analyzed and evaluated by it. The criteria of such evaluation include:

- a) Understanding of the assignment
- b) Proposed Methodology, Work Plan and Approach
- c) Proposed Team Structure
- d) Relevant Experience of the Firm

A template for evaluating technical proposal is given under **Section 10.16**. All consultants receiving a minimum cut off score will be selected for the next round of evaluation.

TEC shall open the financial bids of only those bidders who have been declared technically qualified for further analysis and evaluation. The Financial bids of the unsuccessful bidders will be returned to the respective consultants unopened. Depending on the contracting strategy, the successful bidder will be chosen by TEC after the evaluation of the financial bids. Some of the contracting strategies are highlighted under **Section 8.5**.

#### 8.4.9 Negotiation and Contract Signing

Negotiations are expected to ensure agreement on all points. In such negotiations, discussions are held on the technical proposal, proposed methodology, work plan, staffing or any suggestion made by the consultant to improve the ToR. The final TOR and the agreed methodology form part of the contract. Substitution of key personnel by selected firms should not be permitted unless both parties agree that such changes

reduce unnecessary delay in the project or the objectives of the assignment are better satisfied with the replacement of the personnel.

Conclusion of negotiations leads to the signing of the contract. The successful firm is expected to start the assignment on the date and location specified in the contract. The short listed bidders who were unsuccessful shall be promptly notified about the same by the procurement authority.

## 8.5 Contracting Strategies

It is required that the contracting strategies are determined before starting the tendering process. Some of the contracting strategies are explained below:

### 8.5.1 Quality and Cost Based Selection (QCBS)

Both quality and cost are given weights in selection of firms under QCBS. The weightage given to quality and cost would depend on the nature of the assignment. The final score awarded to a firm in this method is addition of quality and cost scores after assigning them suitable weightages. Typically, the weightages for cost varies between 10 to 30 points out of 100. In case of technical bids the total score obtained is the sum of scores awarded on various parameters including:

- a) Previous experience in similar assignments
- b) Quality of approach and methodology
- c) Capability and experience of the personnel to be deputed on the project
- d) Knowledge of local issues and sensitivity to local culture

*Both technical score (technical bid) and financial score (financial bid) are considered for the final evaluation of the bids, with an agreed wastage for financial and technical score. (For details refer SBD for consulting services)*

### 8.5.2 Least Cost Selection (LCS)

The emphasis of this method is on cost. It is suitable for small assignments of a standard and routine nature where well-established practices and standards exist. The technical bids will be evaluated first under this method. Firms who score lower than a pre-determined threshold on the technical bid are not considered for evaluation of the financial bid. The financial bid shall be returned unopened to them. Out of the bids, which are above the threshold score for the technical bid, the firm offering the lowest price shall be invited for contract negotiation.

### 8.5.3 Quality Based Selection (QBS)

The emphasis of this method is on quality. This method is generally appropriate for complex and/or highly specialized assignment where precise terms of reference are difficult to design and innovative solutions are expected from the consultant. This method is also used in cases where there are substantially different ways of executing the assignment. In cases where objective of the assignment requires the best in the field, QBS method of evaluating proposals is used. The firm, which is awarded the highest score in the technical bid, is invited for contract negotiations.

### 8.6 Types of Contract

Contracts can be of various kinds. Some of the key types of contract are explained below:

- a) **Lump Sum:** These contracts are used for assignments in which the contents/outputs/deliverables and the duration of the assignment are clearly defined. Payment is made upon delivery of outputs. The main advantage of this type of contract is that it is easy to administer. Examples of Lump Sum contracts include Feasibility Studies, Environmental Studies, Detailed design of a standard structure etc.
- b) **Time Based:** These contracts are used for assignments in which it is difficult to define the scope and the duration of the assignment to be performed. Payment is based upon an hourly, daily, or monthly rate, plus reimbursable expenses using actual expenses or agreed-upon unit prices. This type of contract provides for a maximum total payable amount that includes a contingency for unforeseen work and duration, price adjustments etc. Examples of Time Based contracts include Preparation of data, Complex Studies, Training assignments, Advisory services etc.
- c) **Percent contracts** relate to the fee paid to the consultant based upon the estimated or actual project cost or the cost of the goods to inspected etc. Percentage is established based upon market norm or standard practice in the industry. Examples of percent contracts include Architectural services, Engineering services, Inspection agents etc.

### 8.7 Database of Consultants

Information about all consultants having the right credentials and having expressed interest in working with department/institution shall be stored in a database. The performance of the firms engaged by department shall be recorded in this database. Consultants who demonstrate poor quality of service or whose reports are not in accordance with the contract/TOR shall be blacklisted. Such firms would not be allowed to perform in any future assignments.

## 8.8 Individual Consultants

Individual consultants can be engaged for contract below a threshold value (for example Rs 2.00 Lakhs). For hiring of individuals, it is necessary to finalize the job description, qualification and experience required and terms of engagement. Thereafter an advertisement (if the assignment is complex) may be put into the national/regional newspapers indicating the above details. The applications received shall be scrutinized and ranking shall be prepared. Thereafter the top-ranked individual shall be invited for interviews/discussions and would be offered the assignment.

## 9. Other Issues

The other issues dealt with in this chapter are listed below:

- 1) Disposal of surplus goods
- 2) Grievance/Dispute resolution
- 3) Termination of contract
- 4) Procurement audit
- 5) Code of ethics

### 9.1 Disposal of Surplus Goods

The stores maintained by end users or district warehouse shall keep a record of disposal of surplus goods and should keep the State Drug Cell/other nodal agency informed through periodic reports about their inventory position.

### 9.2 Grievance/Dispute Resolution

Normally, there should not be any scope of dispute between the Purchasing Authority and the supplier after entering into a mutually agreed valid contract. However, due to various unforeseen reasons, problems may arise during the progress of the contract leading to disagreement between Authority and the supplier. Therefore, the conditions governing the contract shall contain suitable provision for settlement of such disputes/differences binding on both the parties.

#### 9.2.1 Grievance Reporting

- a) Complaints by suppliers/service providers should be submitted to the Purchasing Authority in writing. The complaints should be investigated and the authority should initiate appropriate remedial action in case the complaint is found to be correct. The head of the purchasing department or institution shall issue his response in [insert number of days]

- b) The complaint by the supplier would not be entertained by the head of the purchasing department or institution unless it was submitted within [insert number of days] after the supplier/service provider became aware of circumstances/should have become aware of circumstances.

### 9.2.2 Mechanisms for Resolution of Disputes/Grievances

#### a) Amicable Settlement through Mutual Consultations

In case the response of the head of purchasing department/institution fails to satisfy the supplier/service provider, efforts shall be made to resolve all disputes/differences through mutual consultations in an amicable manner. Typically 21 days shall be given to amicably resolve the matter through mutual discussion.

#### b) Arbitration

If the parties fail to resolve the dispute by such mutual consultation within twenty-one days, then, depending on the position of the case, either purchasing authority or the supplier shall give notice to the other party of its intention to commence arbitration, if the same is specified under the tender conditions:

### 9.3 Termination of Contracts

#### 9.3.1 Cancellation of Contract for Default

Authority may, without prejudice to any other remedy for breach of contract, by written notice of default sent to the supplier, terminate the contract in whole or in part:

- a) If the supplier fails to deliver any or all of the goods/services of required quality, description or specification within the time period(s) specified in the contract, or any extension thereof granted by authority.
- b) If the supplier fails to perform any other obligation under the contract within the period specified in the contract or any extension thereof granted by authority.
- c) If the post delivery testing of the drugs drawing samples at the consignee point through an independent NABL accredited laboratory fails to conform the quality norms. (List of NABL accredited labs for both Biological and Chemical testing are given in Appendix 11)

In the event purchasing authority terminates the contract in whole or in part, it may take recourse to any one or more of the following action.

- a) The Performance Security is to be forfeited

- b) Purchasing Authority may procure, upon such terms and in such manner as it deems appropriate, goods/services similar to those undelivered, and the supplier /service provider shall be liable for all available actions against it in terms of the contract
- c) However, the supplier/service provider shall continue to perform the contract to the extent not terminated
- d) Before canceling the contract and taking further action, it may be desirable to obtain legal advice from the legal cell or from the department of Law.
- e) The supplier/service provider maybe blacklisted and hence debarred from further participation in the procurement process for a period as determined by department.

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

If the supplier becomes bankrupt or otherwise insolvent, authority may, at any time, terminate the contract, by giving written notice to the supplier, without compensation to the supplier provided that such termination will not prejudice or affect any right of action or remedy which has accrued or will accrue thereafter to the authority.

### **9.3.3 Termination of Contract for Convenience**

After placement of contract, there may be some unforeseen situation compelling authority to cancel the contract. In such a case, authority is to send a suitable notice to the supplier for cancellation of the contract, in whole or in part, for its convenience, indicating the date with effect from which the termination is to become effective. Depending on the merits of the case, authority may have to suitably compensate the supplier on mutually agreed terms for terminating the contract. Suitable provisions to this effect are to be incorporated in the bid document as well as in the resultant contract.

All legal issues arising out of termination of contract should be addressed under the applicable law.

## **9.4 Procurement Audit**

Post review of all the contracts under the program shall be conducted in the following manner:

- a) At the district level, by the CAG Empanelled Chartered Accountants who will be carrying out financial audit. Procurement audit will be included in their Terms of Reference.

- b) At the State level, by the auditors from the office of Comptroller Auditor General who will be carrying out financial audit. Procurement audit will be included in their Terms of Reference.

The scope of the audit should cover all procurement carried out by authorities or by the Procurement Support Agents. At least 50% of all procurement activities carried out by authorities should be covered in the review. The auditor/audit team will conduct a thorough review of all the procurement made out of the loan/aid fund.

Project sites will be visited to make physical inspections of quality and quantity of goods and services procured for some of the selected contracts. Efforts shall be made to the extent possible to compare prices with similar contracts financed by other sources in the country and the region and verified against international market prices for the items in question.

## 10. Templates and Forms

### 10.1 Procurement Plan

#### I. General

1. Project Information:
2. Approval Date [Original: \_\_\_\_\_ ; Revised: \_\_\_\_\_]
3. Date of Procurement Notice:
4. Period Covered by the Plan:

#### II. Goods and non-consulting services

1. Prior Review Threshold

S.No	Procurement Method	Prior Review Threshold	Comments
1.	(ICB)		
2.	NCB (Goods)		
3.	NCB (Non-Consultant Services)		
4.	Other Methods		

2. Pre-qualification
3. Reference to Operational/Procurement Manual (if any):

#### III. Detailed Plan

Sl. No.	Description	Estimated Cost	Procurement Methods	Prequalification (Yes/No)	Time Frame	Comments

## 10.2 Template for pre-qualification sought from potential bidders

S.No	Particulars of the Bidders	
1	Name of Firm	
2	Address	
3	Telephone/Fax/E-Mail/Website	
4	Nationality of the Firm	
5	Year Established	
6	Key Personnel	
7	Current Licenses and Permits (with dates, numbers and expiration dates)	
8	Appropriate Authority Registration Information	
9	Quality Assurance Certification	
10	Production Capacity	
11	Sources of Raw Material	
12	Presence and characteristics of in-house quality control laboratory	

13	Name and address of external quality control laboratories used.	
14	Are all finished products tested and released by quality control prior to release for sale	Yes/No
15	Procedures for dealing with rejected batch	
	<b>Financial Information</b>	
	Annual Sales Value for Last 3 years (INR)	
	1.	
	2.	
	3.	
	Bank Name and Address	
	Bank Account Number	
	Availability of audited Financial Report	Yes/No(If Yes, copy of the same for last three years has to be mailed)
	<b>Current Contract Information</b>	
	Name of Contract (s)	
	Purchaser Information	
	Value of Contracts	
	Estimated Delivery Date	

	<b>Experience</b>				
	Contracts during last three years				
	Purchaser	Value	Year	Goods/Services Supplied	Country of Destination
	<b>Others</b>				
	Any Dispute the Company has been involved in the last three years				
	Year	Award FOR/AGAINST the applicant	Name of client, cause of litigation, and matter in dispute	Dispute Amount (Current Value)	

We hereby certify that the information provided in this form is correct, and in the event of changes details will be provided as soon as possible.

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

In the capacity of <insert title or appropriate designation>

### 10.3 Notice for Invitation for Bids (IFB)

#### Invitation for Bids (IFB)

[ *insert: name and address of the Directorate/Agency/Institute* ]

[ *insert: name of project* ]

[ *insert: brief description of the Goods/Services* ]

[ *insert: Invitation For Bid title* ]

[ *insert: Invitation For Bid number* ]

[ *insert: Date of Issue* ]<sup>1</sup>

1. The [ *insert name of implementing agency* ] now invites sealed bids from eligible bidders for [ *insert brief description of goods to be procured* ].<sup>3</sup>
2. Bidding will be conducted through the [ *insert mode of procurement* ] procedures.
4. Interested eligible bidders may obtain further information from [ *insert name of agency* ] and inspect the bidding documents at the address given below [ *state address at end of document* ] from [ *insert office hours* ].<sup>4</sup>
5. A complete set of bidding documents in [ *insert name of language* ] may be purchased by interested bidders on the submission of a written application to the address below [ *state address at the end of document* ] and upon payment of a nonrefundable fee<sup>5</sup> [ *insert amount in Indian Rupees* ]. The method of payment will be [ *insert method of payment* ]. The document will be sent by [ *insert delivery procedure* ].<sup>6</sup>
6. Bids must be delivered to the address below [ *state address at the end of document* ] at or before [ *insert time and date* ]. All bids must be accompanied by a bid security of [ *insert amount in Indian Rupee or minimum percentage of bid price* ].<sup>7</sup> Late bids will be rejected. Bids will be opened in the presence of the bidders' representatives who choose to attend at the address below [ *state address at end of document* ] at [ *insert time and date* ].<sup>8</sup>

[ *insert: name of office* ]

[ *insert: name of officer* ]

[ *insert: postal address* ] and/or

[ *insert: street address* ]

[ *insert: telephone number, indicate country and city code* ]

[ *insert: facsimile or cable number or e-mail address* ]

**Endnotes to IFB**

1. Day, month, year; for example, 31 January 2010.
2. A brief description of the type(s) of goods should be provided, including quantities, location of project, and other information necessary to enable potential bidders to decide whether or not to respond to the invitation. Bidding documents may require bidders to have specific experience or capabilities; such restrictions should also be included in this paragraph.
3. For example, 0900 to 1200 hours.
4. The fee, to defray printing and mailing/shipping costs, should be nominal.
5. The delivery procedure is usually air mail for overseas delivery and surface mail or courier for local delivery. If urgency or security dictates, courier services may be required for overseas delivery.
6. The amount of bid security, if required, should be stated as a fixed amount or as a minimum percentage of the bid price. Alternatively, if a bid security is not required (often the case in supply contracts), the paragraph should so state.
7. The office for bid opening may not necessarily be the same as that for inspection or issuance of documents or for bid submission. If they differ, each address must appear at the end of paragraph 7 and be numbered; as, for example, (1), (2), (3). The text in the paragraph would then refer to address (1), (2), etc. Only one office and its address may be specified for submission of bids, and this location should be as close as possible to the place where bids will be opened to shorten the time between bid submission and bid opening.

#### 10.4 Template for Contract

THIS CONTRACT AGREEMENT is made

the [ *insert: number* ] day of [ *insert: month* ], [ *insert: year* ].

BETWEEN

(1) [ *insert: Name of Purchaser* ], a [ *insert: description of type of legal entity, for example, an agency of the Ministry of .... of the Government of [ insert: State and country of Purchaser ], or corporation incorporated under the laws of [ insert: State and country of Purchaser ]* ] and having its principal place of business at [ *insert: address of Purchaser* ] (hereinafter called “the Purchaser”), and

(2) [ *insert: name of Supplier* ], a corporation incorporated under the laws of [ *insert: country of Supplier* ] and having its principal place of business at [ *insert: address of Supplier* ] (hereinafter called “the Supplier”).

WHEREAS the Purchaser invited bids for certain goods and ancillary services, viz., [ *insert: brief description of goods and services* ] and has accepted a bid by the Supplier for the supply of those goods and services in the sum of [ *insert: contract price in words and figures* ] (hereinafter called “the Contract Price”).

NOW THIS AGREEMENT WITNESSETH AS FOLLOWS:

1. In this Agreement words and expressions shall have the same meanings as are respectively assigned to them in the Conditions of Contract referred to.
2. The following documents shall constitute the Contract between the Purchaser and the Supplier, and each shall be read and construed as an integral part of the Contract:
  - (a) This Contract Agreement
  - (b) General Conditions of Contract
  - (c) Special Conditions of Contract
  - (d) Technical Requirements (including Technical Specifications)
  - (e) The Supplier’s bid and original Price Schedules
  - (f) The Purchaser’s Notification of Award
  - (g) [ *Add here: any other documents* ]
3. In consideration of the payments to be made by the Purchaser to the Supplier as hereinafter mentioned, the Supplier hereby covenants with the Purchaser to provide the

Goods and Services and to remedy defects therein in conformity in all respects with the provisions of the Contract.

4. The Purchaser hereby covenants to pay the Supplier in consideration of the provision of the Goods and Services and the remedying of defects therein, the Contract Price or such other sum as may become payable under the provisions of the Contract at the times and in the manner prescribed by the Contract.

For and on behalf of the Purchaser

Signed: \_\_\_\_\_

in the capacity of [ *insert: title or other appropriate designation* ]

in the presence of \_\_\_\_

For and on behalf of the Supplier

Signed: \_\_\_\_\_

in the capacity of [ *insert: title or other appropriate designation* ]

in the presence of \_\_\_\_

#### CONTRACT AGREEMENT

dated the [ *insert: number* ] day of [ *insert: month* ], [ *insert: year* ]

BETWEEN

[ *insert: name of Purchaser* ], “the Purchaser”

and

[ *insert: name of Supplier* ], “the Supplier”

### 10.5 Template for Acknowledging Receipt of Tenders

**[Insert: Name and Office Address of the Tender Inviting Authority]**

Received from << Insert name & address> one sealed tender.

CONTENTS NOT VERIFIED.

Date:

Signature

Time:

Name & designation of the official

## 10.6 Template Letter for Proposal Submission

Date: [ insert: **date of bid** ]

[ specify: "Invitation For Bid No.: [ number ]" ]

[ insert: **name of Contract** ]

To: [ insert: **Name and address of Purchaser** ]

Dear Sir or Madam:

Having examined the Bidding Documents, including Addenda Nos. [ insert **numbers** ], the receipt of which is hereby acknowledged, we, the undersigned, offer to supply and deliver the Goods under the above-named Contract in full conformity with the said Bidding Documents for the sum of: [insert bidding amount] (hereinafter called "the Total Bid Price") or such other sums as may be determined in accordance with the terms and conditions of the Contract. The above amounts are in accordance with the Price Schedules attached herewith and are made part of this bid.

We undertake, if our bid is accepted, to deliver the Goods in accordance with the delivery schedule specified in the Schedule of Requirements.

If our bid is accepted, we undertake to provide a performance security in the form, in the amounts, and within the times specified in the Bidding Documents.

We agree to abide by this bid, for the Bid Validity Period of [enter bid validity period] and it shall remain binding upon us and may be accepted by you at any time before the expiration of that period.

Until the formal final Contract is prepared and executed between us, this bid, together with your written acceptance of the bid and your notification of award, shall constitute a binding Contract between us. We understand that you are not bound to accept the lowest or any bid you may receive.

Dated this [ insert: **number** ] day of [ insert: **month** ], [ insert: **year** ].

Signed:

Date:

In the capacity of [ insert: **title or position** ]

Duly authorized to sign this bid for and on behalf of [ insert: **name of Bidder** ]

**10.7 Checklist for Bid Opening**

Tender No:

Tender Title:

Date of opening:

Time of opening:

Check List for submission of Technical and Commercial Bids in respect of [insert tender description]

S. No.	Items	Received	Remarks
1	Original and number of specified copies of the bid.	Yes/ No	
2	Earnest Money Guarantee to be submitted as required by the tender document	Yes/ No	
3	Certificate authorizing the representatives to attend the bid opening.	Yes/ No	
4	a) Documents to support [insert number of years] of manufacturing and marketing experience. b) The above Documents attested by the chartered accountant.	Yes/ No Yes/ No	
5	a) Capacity certificate and other supporting documents to prove production capacity of at least [insert percentage] of offtake by the organisation for the preceding year. b) Certificate from State Drug Authority enclosed.	Yes/ No Yes/ No	
6	Valid GMP certificate for manufacturing facility for two years and more enclosed.	Yes/ No	
7	Certificate from Appropriate Authorities certifying that bidder has not been convicted.	Yes/ No	
8	Valid Income Tax Clearance certificate, the date of issue of which should not be earlier than one year from date of opening.	Yes/ No	
9	Drug license for manufacture and sale of concerned	Yes/ No	

S. No.	Items	Received	Remarks
	item which should be two years old on date of tender opening.		
10	All financial documents specified for in the invitation for bid document like audited financials for the last year, etc are enclosed	Yes/ No	
11	Self certification for number of qualified staff employed by bidder in case of a service contract is enclosed	Yes/ No	
12	Self declaration to certify that the bidder has not been barred from participation under conditions specified in the tender document is enclosed.	Yes/ No	
.....	.....	.....	

(Signature & Designation of the  
tender opening official.

(Signature & Designation of the tender  
opening official.

(Signature & Designation of the  
tender opening official.

(Signature & Designation of the tender  
opening official.

**10.8 Template for bid Opening Register**

Tender No:

Tender Title:

Date of opening:

Time of opening:

S. No.	Name of the bidder	Address for Communication	Remarks
1			
2			
3			
4			

(Signature & Name and Designation of the tender opening official.

(Signature & Name and Designation of the tender opening official.

(Signature & Name and Designation of the receiving officials to certify that above mentioned tenders have been received by them).

(Signature & Name and Designation of the receiving officials to certify that above mentioned tenders have been received by them).

## 10.9 EMD

### EMD (Bank Guarantee)

*[The Bank shall fill in this Bank Guarantee Form in accordance with the instructions indicated.]*

Whereas *(insert the name of the tenderer)* (hereinafter called the “Tenderer”) has submitted its quotation dated *(insert date quotation)* for the supply of *(insert tender items)* (hereinafter called the “tender”) against the purchaser’s tender enquiry No. *(Insert TE number)* Know all persons by these presents that we *(insert name of the bank)* of *(insert address of the bank)* (Hereinafter called the “Bank”) having our registered office at *(insert regd. office address of bank)* are bound unto *<insert the name and address of the procuring authority>* (hereinafter called the “Purchaser) in the sum of *(insert guarantee amount)* for which payment will and truly to be made to the said Purchaser, the Bank binds itself, its successors and assigns by these presents. Sealed with the Common Seal of the said Bank this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_. The conditions of this obligation are:

- (1) If the Tenderer withdraws or amends, impairs or derogates from the tender in any respect within the period of validity of this tender.
- (2) If the Tenderer having been notified of the acceptance of his tender by the Purchaser during the period of its validity:-
  - a) fails or refuses to furnish the performance security for the due performance of the contract. or
  - b) fails or refuses to accept/execute the contract. or
  - c) if it comes to notice that the information/documents furnished in its tender is incorrect, false, misleading or forged

We undertake to pay the Purchaser up to the above amount upon receipt of its first written demand, without the Purchaser having to substantiate its demand, provided that in its demand the Purchaser will note that the amount claimed by it is due to it owing to the occurrence of one or both the two conditions, specifying the occurred condition(s).

This guarantee will remain in force for a period of forty-five days after the period of tender validity and any demand in respect thereof should reach the Bank not later than the above date.

***Signature of the Authorised Officer of the Bank)***

***Name and Designation of the Officer***

***Seal, name & Address of the Bank and the Branch***

**10.10 Template for Bid Evaluation**

Tender No:

Tender Title:

Date of opening:

Time of opening:

**Eligibility Criteria:**

S. No.	Criteria	Whether Meets the Criteria	Remarks
1.	Furnished EMD as specified	Yes/ No	
2.	Satisfactory document to support 2 years of manufacturing/ marketing experience. Documents to be attested by chartered accountant	Yes/ No	
3.	Satisfactory capacity proof. Certificate from Required Authority enclosed	Yes/ No	
4.	Valid GMP certificate for manufacturing facility for at least two years	Yes/ No	
5.	Valid Income Tax Clearance certificate which has been issued within one year from date of opening	Yes/ No	
6.	Valid license for manufacture and sale of concerned item at least two years old on date of tender opening	Yes/ No	
7.	All financial criteria like turnover, networth, etc satisfied	Yes/ No	
8.	Number of qualified staff greater than specified in bid document (for service contract)	Yes/ No	
.....	.....	.....	

Failure to meet any of the above criteria would result in bid being declared unresponsive.

**Qualification Criteria:**

The qualification criteria should be divided into essential and desirable features. Failure to meet the essential criteria would result in bid being declared unresponsive. The exact specification for pharmaceuticals and medical equipment is to be provided by experts.

S. No.	Criteria	Whether Meets the Criteria	Remarks
1.		Yes/ No	
2.		Yes/ No	
3.		Yes/ No	
4.		Yes/ No	
.....	.....	.....	

**Price Evaluation:**

S. No.	Name of the qualified Firm	Item	Unit	Quantity	Rate	Amount	Remarks

The contract shall be awarded to lowest evaluated qualified bidder.

Award of contract: [enter name of successful bidders]

(Signature & Designation of the  
TEC officials)

(Signature & Designation of the TEC  
official)

(Signature & Designation of the TEC  
officials)

(Signature & Designation of the TEC  
official)

### 10.11 Template for Notifying Award of Contract

Contract No: [Insert date]

Contract Title:

To,

[Insert name & address]

Sub: Award of contract for Contract No:[Insert contract number] and Contract title:[Insert contract title]

REF. Your offer No.[Insert offer number]

Dear Sir/ Madam

I am directed to inform you that after evaluating the bid documents submitted by you on [enter date] Procuring Authority is pleased to inform you that you have been selected as the successful bidder for the supply of [enter description]. The total purchase price shall be [enter amount] as indicated in your financial bid submitted on [enter date], in accordance with the procedures intimated to you by the authority

You/ your authorized representative(s) are requested to be personally present at [insert address] for the signing of the contract by [enter date]. In this respect, we also request you to submit the performance security of [insert amount of rupees in words] by [insert date].

Yours truly,

[Enter Name]

Authorized Official (concerned directorate)

Enclosure: Contract along with the schedule of delivery

**10.12 Form for Performance Security****Performance Security Bank Guarantee**

\_\_\_\_\_ [insert: **Bank's Name, and Address of Issuing Branch or Office**]

**Beneficiary:** \_\_\_\_\_ [insert: **Name and Address of Purchaser**]

**Date:** \_\_\_\_\_

**PERFORMANCE GUARANTEE No.:** \_\_\_\_\_

We have been informed that [insert: **name of Supplier**] (hereinafter called "the Supplier") has entered into Contract No. [insert: **reference number of the contract**] dated \_\_\_\_\_ with you, for the supply of [insert: **description of goods**] (hereinafter called "the Contract").

Furthermore, we understand that, according to the conditions of the Contract, a performance guarantee is required.

At the request of the Supplier, we [insert: **name of Bank**] hereby irrevocably undertake to pay you any sum or sums not exceeding in total an amount of [insert: **amount in figures**] (\_\_\_\_) [insert: **amount in words**]<sup>13</sup> upon receipt by us of your first demand in writing accompanied by a written statement stating that the Supplier is in breach of its obligation(s) under the Contract, without your needing to prove or to show grounds for your demand or the sum specified therein.

This guarantee shall expire no later than the \_\_\_\_ day of \_\_\_\_\_, 2\_\_\_\_, <sup>14</sup> and any demand for payment under it must be received by us at this office on or before that date.

\_\_\_\_\_  
[signature(s)]

<sup>13</sup> The Guarantor shall insert an amount representing the percentage of the Contract Price specified in the Contract.

<sup>14</sup> The Purchaser should note that in the event of an extension of the time to perform the Contract, the Purchaser would need to request an extension of this guarantee from the Guarantor. Such request must be in writing and must be made prior to the expiration date established in the guarantee. In preparing this guarantee, the Purchaser might consider adding the following text to the form, at the end of the penultimate paragraph: "The Guarantor agrees to a one-time extension of this guarantee for a period not to exceed [six months] [one year], in response to the Purchaser's written request for such extension, such request to be presented to the Guarantor before the expiry of the guarantee."

**10.13 Template for Vendor Performance Management**

In the bottom portion of the form, apply a strength factor, 5 being the strongest, to each item you evaluate. Total each column once you conclude the evaluation. Add up the columns to arrive at a total. Compare that total against the totals of similar vendors to gauge the vendor's performance.

Date \_\_\_\_\_ Prepared By \_\_\_\_\_

Evaluation Ref \_\_\_\_\_ Title \_\_\_\_\_

**Supplier Information**

Company Name:	Type Of Business:
Company Address:	Legal Form Under Which Business Operates:
City:            State:            PIN: Phone:	Fax:
Number Of Employees:	Number Of Employees At Headquarters:
Size Of Headquarters:	Number Of Locations:
Names Of Salespeople (if applicable):	Names Of Key Officers:

Vendor Evaluation	1	2	3	4	5
1. Timeliness Of Deliveries					
2. Quality Of Parts/Products/Material Upon Delivery					
3. Overall Quality Of Parts/Products/Material					
5. Quality Of Service Provided					
6. Quality Of Design Compared To Specifications					
7. Correct Invoices					
.....					
Column Totals					
		Total			

Signature.....

**10.14 Template for Evaluating the Consultants**

Consultancy Number:

Date:

Consultancy Title:

Name of the Firm:

<b>S. No</b>	<b>Criteria</b>	<b>Weightage/ Total Score</b>	<b>Firm's Score</b>
<b>1</b>	<b>Past Experience</b>	<b>60%</b>	
	Number of years of experience	20	
	Past Experience in similar assignments	50	
	Past Experience in carrying out studies in similar sectors	20	
	Studies carried out in the state/ country	10	
	<b>Sub Total 1</b>	100	
<b>1a</b>	<b>Weighted Score 1</b>	<b>60</b>	
<b>2</b>	<b>Experience of Key Personnel</b>	<b>25%</b>	
	Qualifications	40	
	Relevant Experience	60	
	<b>Sub Total 2</b>	100	
<b>2a</b>	<b>Weighted Score 2</b>	<b>25</b>	
<b>3</b>	<b>Financial Strength</b>	<b>15%</b>	

S. No	Criteria	Weightage/ Total Score	Firm's Score
	Average turnover	50	
	Average Net Profit	50	
	Sub Total 3	100	
3a	<b>Weighted Score 3</b>	<b>15</b>	
	<b>Total Weighted Score (1a+2a+3a)</b>		

Selected: Yes / No

Comment (if any):

Name of the Official:

Designation:

Signature:

Date:

**10.15 Template for CVs and Citations**

## Template for Curriculum Vitae

Proposed Position:			
Name of Firm:			
Name of Staff:			
Profession:			
Date of Birth:			
Years with Firm/Entity:		Nationality:	
Membership in Professional Societies:			
Detailed Tasks Assigned:			
Key Qualifications:			
Education:			
Employment Record:			

Countries of work experience:			
Select examples of key experience include:			
Languages			
	<i>Speaking</i>	<i>Reading</i>	<i>Writing</i>
English			
Hindi			
Bengali			

## Template for Citations

Project Name:		Client Name:
Contact Person and Title: Phone: Facsimile:		
Start Date (Month/Year)	Completion Date (Month/Year)	Total Project Value in INR:
Narrative Description of Project:		

Benefits Realized by the Client:

**10.16 Template for Evaluating Technical Bids****Evaluation of Consultancy Firm Experience**

Sr. No	Name of the Firm	Number of projects of similar nature	Nature of work performed	Marks Awarded (Maximum Marks)	Remarks
1.					
2.					
3.					

**Evaluation of Methodology, Approach and Work Schedule**

S. No	Name of the Firm	Understanding the ToR (Max. Marks)	Approach (Max. Marks)	Methodology (Max. Marks)	Total Score	Remarks
1.						
2.						
3.						

**Evaluation of the Consultants Key Professionals****Name of the Consultancy Firm:**

Sr. No	Name of the Key Professional	Educational Qualification (Maximum Marks)	Number of Projects of Similar Nature (Maximum Marks)	Experience in the region (Maximum Marks)	Total Score	Remarks
1.						
2.						
3.						
	.....					

<b>Total Score- Key Professionals</b>		
---------------------------------------	--	--

**Summary Sheet**

Sr. No	Name of the Firm	Firms' Experience (Maximum Marks)	Methodology & Approach (Maximum Marks)	Key Professionals (Maximum Marks)	Total Marks (Maximum Marks)	Remarks
1.						
2.						
3.						

## 10.17 Form for Demand Estimation from District

<b>Name of District:</b>								
Annual Requirement for the period <b>April 2011 to March 2012</b>								
Srl No	Name of item	Unit of measurement	Quantity Required	Previous year's demand	Opening volume (Apr 10)	Receipt (Apr 10 to Mar 11)	Issued (Apr 10 to Mar 11)	Closing Stock (Mar 11)
1	Item 1	million pieces						
2	Item 2	numbers						

Signature \_\_\_\_\_

&lt;Insert signature of competent authority&gt;

**10.18 Form for Validating and Aggregating State Demand**

Name of Item:			
Annual Requirement for the period April 2011 to March 2012			
Unit of Measurement:			
Srl No	Name of States	Total Quantity Required	Total previous year's demand
1	Dist 1		
2	Dist 2		

Signature \_\_\_\_\_

&lt;Insert signature of competent authority&gt;

**11. Appendices****11.1 Appendix 1 (List of NABL Accredited Labs- Biological Testing)****LIST OF NABL ACCREDITED LABS FOR DRUGS AND PHARMACEUTICALS – BIOLOGICAL TESTING****North:**

<b>Name of the Laboratory</b>	<b>Address</b>	<b>Telephone/ Fax/ Email</b>
<b>ARBRO Pharmaceuticals Limited, (Analytical Division), New Delhi</b>	4/9, Kirti Nagar, Industrial Area, New Delhi, Delhi, India. Pin - 110015	<b>Tel No.</b> 011-5467228, 5457922, 5457923, 5150437 <b>Fax No.</b> 011-5463784 <b>Email</b> <a href="mailto:arbro@vsnl.in">arbro@vsnl.in</a>
<b>ASHCO Analytical Services, Noida</b>	D-70, Sector-2, Noida, Delhi (NCR), India. Pin - 201301	<b>Tel No.</b> 0120-2534025, 2533784 <b>Fax No.</b> <b>Email</b> <a href="mailto:aasnoida@rediffmail.com">aasnoida@rediffmail.com</a>
<b>Shriram Institute for Industrial Research, Delhi</b>	19, University Road, Delhi, New Delhi, India. Pin - 110007	<b>Contact Details :</b> <b>Tel No.</b> 011 - 27667267 / 27667860 <b>Fax No.</b> 011 - 27667676 / 27666013 <b>Email</b> <a href="mailto:sridlhi@vsnl.com">sridlhi@vsnl.com</a>
<b>Standard Analytical Laboratory Private Limited, Delhi</b>	69, Functional Industrial Estate, Patparganj, Delhi, New Delhi, India. Pin - 110092	<b>Tel No.</b> 011-22163617 / 22143265 <b>Fax No.</b> 011-22163617 <b>Email</b> <a href="mailto:atulanand1@hotmail.com">atulanand1@hotmail.com</a>
<b>Torrent Pharmaceuticals Limited, Baddi</b>	Vill. Bhud_Makhnu Majra, Baddi, Nalagarh, Solan, Himachal Pradesh, India. Pin -	<b>Tel No.</b> 01795 - 246821 <b>Fax No.</b> 01795 - 247159 <b>Email</b> <a href="mailto:baddiqi@torrentpharma.com">baddiqi@torrentpharma.com</a>

**South:**

<b>Name of the Laboratory</b>	<b>Address</b>	<b>Telephone/ Fax/ Email</b>
<b>Ashco Analytical Services, Hyderabad</b>	103, Diamond House, 6-3-883/D3/D4, BH Topaz, Panjagutta, Hyderabad, Andhra Pradesh, India. Pin - 500082	<b>Tel No.</b> 040-23405313, 55666527 <b>Fax No.</b> 040-23406557, 23400893 <b>Email</b> <a href="mailto:datallab_hyd@dataone.in">datallab_hyd@dataone.in</a>

<b>Magene Life Sciences Private Limited, Hyderabad</b>	D. No. 14-59/3, Pudur Post, Ravalkole 'X' Roads Medchal Mandal & Village, R.R. District, Hyderabad, Andhra Pradesh, India. Pin - 501401	<b>Tel No.</b> 08418 - 225449 <b>Fax No.</b> 08418 - 222384 <b>Email</b> <a href="mailto:menaka@magenelifesciences.com">menaka@magenelifesciences.com</a>
<b>SGS India Private Limited, Life Sciences Services, Chennai</b>	Second Floor, TICEL Biopark Ltd Taramani Road , Chennai, Tamil Nadu, India. Pin - 600112	<b>Tel No.</b> 044 - 22542601, 22542602 <b>Fax No.</b> 044 - 22542600 <b>Email</b> <a href="mailto:customercare_issindia@sgs.com">customercare_issindia@sgs.com</a>
<b>Shiva Analyticals (India) Limited, Hoskote</b>	Plot No. 24 D (P) & 34 D, KIADB Industrial Area, Bangalore Rural North, Hoskote, Karnataka, India. Pin - 562114	<b>Tel No.</b> 08079 - 71713 / 71322 <b>Fax No.</b> 08079 - 71321 <b>Email</b> <a href="mailto:gupta@shivathec India.com,gd@mimindia.net">gupta@shivathec India.com,gd@mimindia.net</a>
<b>Shriram Institute for Industrial Research, Bangalore</b>	14-15, Sadarmangala Industrial Area, Whitefield Road, Bangalore, Karnataka, India. Pin - 560048	<b>Tel No.</b> 080 - 28410165 / 28410172 <b>Fax No.</b> 080 - 28410189 <b>Email</b> <a href="mailto:sribglr@vsnl.com">sribglr@vsnl.com</a>

**East:**

Name of the Laboratory	Address	Telephone/ Fax/ Email
<b>Senior Quality Assurance Establishment (General Stores), Hastings, Kolkata</b>	Test Laboratory, Hastings, Kolkata, West Bengal, India. Pin - 700022	<b>Tel No.</b> 033 - 22230520 / 0610 / 22230862 - Dir <b>Fax No.</b> 033 - 22230862

**West:**

Name of the Laboratory	Address	Telephone/ Fax/ Email
<b>Ashco Analytical Services, Mumbai</b>	Lab House Plot No. F-13, Opp Seepz, MIDC, Andheri (E), Mumbai, Maharashtra, India. Pin - 400093	<b>Tel No.</b> 022 - 28361002 / 28376701 / 28360057 <b>Fax No.</b> 022 - 28350286 <b>Email</b> <a href="mailto:mohite@ashcoindustries.com">mohite@ashcoindustries.com</a>

<b>Bee Pharmo Labs Private Limited, Mumbai</b>	5-6-7, Kakad Estate, R.G. Thadani Marg, Worli, Mumbai, Maharashtra, India. Pin - 400018	<b>Tel No.</b> 022 - 24937942 / 24963022 <b>Fax</b> No. 022-24932874 <b>Email</b> <a href="mailto:beepharm@vsnl.com">beepharm@vsnl.com</a>
<b>Manisha Analytical Laboratories Private Limited, Mumbai</b>	135-A Govt.Industrial Estate, Charkop, Kandivali (W), Mumbai, Maharashtra, India. Pin - 400067	<b>Tel</b> No. 022 - 28683666 <b>Fax</b> No. 022 - 28695296 <b>Email</b> <a href="mailto:malab@vsnl.com">malab@vsnl.com</a>
<b>Quality Control Department (Laboratory), Torrent Pharmaceuticals Limited, Ahmedabad</b>	Ahammadabad-Mehsana Highway, Indrad. Tal. Kadi, Mehsana District, Gujarat, Ahmedabad, Gujarat, India. Pin - 382721	<b>Tel</b> No. 02764-233671-75 <b>Fax</b> No. 02764-233676 <b>Email</b> <a href="mailto:khpandit@indiatimes.com">khpandit@indiatimes.com</a>
<b>Toys, Food, Hardlines Division – Intertek Testing Services, Mumbai</b>	Godrej Industries Complex Eastern Express Highway Vikhroli East, Mumbai, Maharashtra, India. Pin - 400079	<b>Tel No.</b> 022 - 55976900 / 55188797 <b>Fax</b> No. 022 - 25188784 <b>Email</b> <a href="mailto:minakshi@intertek.com">minakshi@intertek.com</a>

## 11.2 Appendix 2 (List of NABL Accredited Labs- Chemical Testing)

### North:

Name of the Laboratory	Address	Telephone/ Fax/ Email
<b>ARBRO Pharmaceuticals Limited, (Analytical Division), New Delhi</b>	4/9, Kirti Nagar, Industrial Area, New Delhi, Delhi, India. Pin - 110015	<b>Tel</b> No. 011-5467228, 5457922, 5457923, 5150437 <b>Fax</b> No. 011-5463784 <b>Email</b> <a href="mailto:arbro@vsnl.in">arbro@vsnl.in</a>
<b>ASHCO Analytical Services, Noida</b>	D-70, Sector-2, Noida, Delhi (NCR), India. Pin - 201301	<b>Tel</b> No. 0120-2534025, 2533784 <b>Fax</b> No. <b>Email</b> <a href="mailto:aasnoida@rediffmail.com">aasnoida@rediffmail.com</a>
<b>Central Institute of Medicinal &amp; Aromatic Plants, Lucknow</b>	P.O. CIMAP, Lucknow, Uttar Pradesh, India. Pin - 226015	<b>Tel</b> No. 0522-2717434 <b>Fax</b> No. 0522-2342666 <b>Email</b> <a href="mailto:cimap@flashmail.com">cimap@flashmail.com</a>
<b>Delhi Test House, New Delhi</b>	A-62/3. G.T. Karnal Road Industrial Area, Opp. Hans	<b>Tel</b> No. 011-27437327, 27435509, 27427672

Name of the Laboratory	Address	Telephone/ Fax/ Email
	Cinema, Azadpur, New Delhi, Delhi, India. Pin - 110033	<b>Fax No.</b> 011-27435509, 27456917 <b>Email</b> <a href="mailto:deltest@bol.net.in">deltest@bol.net.in</a>
<b>International Testing Centre, Panchkula</b>	86, Industrial Area, Phase - I, Panchkula, Haryana, India. Pin - 134109	<b>Tel No.</b> 0172 - 2561543 / 2565825 <b>Fax No.</b> 0172 - 2561543 <b>Email</b> <a href="mailto:kesho@mantraonline.com">kesho@mantraonline.com</a>
<b>Regional Research Laboratory, (Council of Scientific &amp; Industrial Research), Jammu - Tawi</b>	Canal Road, Jammu-Tawi, Jammu, J & K, India. Pin - 180001	<b>Tel No.</b> 0191-2573064, 2543829 <b>Fax No.</b> 0191-2543829, 2548607 <b>Email</b> <a href="mailto:agarwalsg@yahoo.com">agarwalsg@yahoo.com</a> , <a href="mailto:smjain_45@yahoo.com">smjain_45@yahoo.com</a>
<b>SGS India Private Limited, General Laboratory, Gurgaon</b>	250, Udyog Vihar, Phase-IV, Gurgaon, Haryana, India. Pin -	<b>Tel No.</b> 0124 - 2399990 - 98 <b>Fax No.</b> 0124 - 2399765 <b>Email</b> <a href="mailto:kurian_pius@sgs.com">kurian_pius@sgs.com</a>
<b>Shriram Institute for Industrial Research, Delhi</b>	19, University Road, Delhi, New Delhi, India. Pin - 110007	<b>Tel No.</b> 011 - 27667267 / 27667860 <b>Fax No.</b> 011 - 27667676 / 27666013 <b>Email</b> <a href="mailto:sridhi@vsnl.com">sridhi@vsnl.com</a>
<b>Sophisticated Industrial Materials Analytic Labs. Pvt. Ltd, New Delhi</b>	C-95, Okhla Industrial Area, Phase - 1, New Delhi, New Delhi, India. Pin - 110020	<b>Tel No.</b> 011 - 26810444 / 2681555 / 666 <b>Fax No.</b> 011 - 26811777 <b>Email</b> <a href="mailto:cmecc@vsnl.com">cmecc@vsnl.com</a>
<b>Standard Analytical Laboratory Private Limited, Delhi</b>	69, Functional Industrial Estate, Patparganj, Delhi, Delhi, New Delhi, India. Pin - 110092	<b>Tel No.</b> 011-22163617 / 22143265 <b>Fax No.</b> 011-22163617 <b>Email</b> <a href="mailto:atulanand1@hotmail.com">atulanand1@hotmail.com</a>
<b>Torrent Pharmaceuticals Limited, Baddi</b>	Vill. Bhud_Makhnu Majra, Baddi, Nalagarh, Solan, Himachal Pradesh, India. Pin -	<b>Tel No.</b> 01795 - 246821 <b>Fax No.</b> 01795 - 247159 <b>Email</b> <a href="mailto:baddiqi@torrentpharma.com">baddiqi@torrentpharma.com</a>

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<b>Hyderabad</b>	883/D3/D4, BH Topaz, Panjagutta, Hyderabad, Andhra Pradesh, India. Pin - 500082	<b>Fax No.</b> 040-23406557, 23400893 <b>Email</b> <a href="mailto:datalab_hyd@dataone.in">datalab_hyd@dataone.in</a>
<b>SGS India Private Limited, Life Sciences Services, Chennai</b>	Second Floor, TICEL Biopark Ltd Taramani Road, Chennai, Tamil Nadu, India. Pin - 600112	<b>Tel No.</b> 044 - 22542601, 22542602 <b>Fax No.</b> 044 - 22542600 <b>Email</b> <a href="mailto:customercare_issindia@sgs.com">customercare_issindia@sgs.com</a>
<b>Shriram Institute for Industrial Research, Bangalore</b>	14-15, Sadarmangala Industrial Area, Whitefield Road, Bangalore, Karnataka, India. Pin - 560048	<b>Tel No.</b> 080 - 28410165 / 28410172 <b>Fax No.</b> 080 - 28410189 <b>Email</b> <a href="mailto:sribglr@vsnl.com">sribglr@vsnl.com</a>
<b>Sipra Labs Private Limited, Hyderabad</b>	4th Floor, Nilgiri, Aditya Enclave, Amerpet, Hyderabad, Andhra Pradesh, India. Pin - 500038	<b>Tel No.</b> 040 - 23746873 / 23734720 <b>Fax No.</b> 040 - 23746871 <b>Email</b> <a href="mailto:director@sipralabs.com">director@sipralabs.com</a>
<b>Vimta Labs Ltd, Hyderabad</b>	142, IDA Phase - II, Cherlapally, Hyderabad, Andhra Pradesh, India. Pin - 500051	<b>Tel No.</b> 040 - 27264141 <b>Fax No.</b> 040 - 27263657 <b>Email</b> <a href="mailto:vimtalab@hd1.vsnl.net.in">vimtalab@hd1.vsnl.net.in</a> , <a href="mailto:groverks@vimta.com">groverks@vimta.com</a>

**East:**

<b>Name of the Laboratory</b>	<b>Address</b>	<b>Telephone/ Fax/ Email</b>
<b>Senior Quality Assurance Establishment (General Stores), Hastings, Kolkata</b>	Test Laboratory, Hastings, Kolkata, West Bengal, India. Pin - 700022	<b>Tel No.</b> 033 - 22230520 / 0610 / 22230862 - Dir <b>Fax No.</b> 033 - 22230862

## West:

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<b>Analytical Development Laboratory, Research Centre, Torrent Pharmaceuticals Limited, Gandhinagar</b>	Village Bhat, Tal & Dist. Gandhinagar, Gandhinagar, Gujarat, India. Pin - 382428	<b>Tel No.</b> 079 - 23969100 / 23969135 <b>Fax No.</b> 079 - 23969135 <b>Email</b> <a href="mailto:guntasubbaiah@yahoo.co.uk">guntasubbaiah@yahoo.co.uk</a>
<b>Ashco Analytical Services, Mumbai</b>	Lab House Plot No. F-13, Opp Seepz, MIDC, Andheri (E), Mumbai, Maharashtra, India. Pin - 400093	<b>Tel No.</b> 022 - 28361002 / 28376701 / 28360057 <b>Fax No.</b> 022 - 28350286 <b>Email</b> <a href="mailto:mohite@ashcoindustries.com">mohite@ashcoindustries.com</a>
<b>Bee Pharmo Labs Private Limited, Mumbai</b>	5-6-7, Kakad Estate, R.G. Thadani Marg, Worli, Mumbai, Maharashtra, India. Pin - 400018	<b>Tel No.</b> 022 - 24937942 / 24963022 <b>Fax No.</b> 022-24932874 <b>Email</b> <a href="mailto:beepharm@vsnl.com">beepharm@vsnl.com</a>
<b>Gharda Chemicals Limited</b>	B-27/29, MIDC - Dombivili (E), Thane, Maharashtra, India. Pin - 421203	<b>Tel No.</b> 0251 - 24400001 / 2 / 3 <b>Fax No.</b> 0251 - 28907709 <b>Email</b> <a href="mailto:ghardaga@hotmail.com">ghardaga@hotmail.com</a>
<b>Manisha Analytical Laboratories Private Limited, Mumbai</b>	135-A Govt.Industrial Estate, Charkop, Kandivali (W), Mumbai, Maharashtra, India. Pin - 400067	<b>Tel No.</b> 022 - 28683666 <b>Fax No.</b> 022 - 28695296 <b>Email</b> <a href="mailto:malab@vsnl.com">malab@vsnl.com</a>
<b>Quality Control Department (Laboratory), Torrent Pharmaceuticals Limited, Ahmedabad</b>	Ahmedabad-Mehsana Highway, Indrad. Tal. Kadi, Mehsana District, Gujarat, Ahmedabad, Gujarat, India. Pin - 382721	<b>Tel No.</b> 02764-233671-75 <b>Fax No.</b> 02764-233676 <b>Email</b> <a href="mailto:khpandit@indiatimes.com">khpandit@indiatimes.com</a>
<b>Toys, Food, Hardlines Division – Intertek Testing Services, Mumbai</b>	Godrej Industries Complex Eastern Express Highway Vikhroli East, Mumbai, Maharashtra, India. Pin - 400079	<b>Tel No.</b> 022 - 55976900 / 55188797 <b>Fax No.</b> 022 - 25188784 <b>Email</b> <a href="mailto:minakshi@intertek.com">minakshi@intertek.com</a>

### 11.3 Appendix 3 (Notes for Preparing the Technical Specifications)

#### [Procurement Specific]

A set of precise and clear specifications is a prerequisite for Bidders to respond realistically and competitively to the requirements of the Purchaser without qualifying their bids. The sample text provided in this section should serve as guidance only. This text is not intended to be used verbatim since technical specifications specific to each procurement should be drafted by the Purchaser for inclusion in the bidding documents. In the context of international/national competitive bidding (ICB/NCB) among qualified firms, the specifications must be drafted to permit the widest possible competition. The technical specifications establish the requirements for good manufacturing practices (GMPs), pharmacopoeial standards, nomenclature, and description required for each product, shelf life and package expiration date parameters, labeling instructions, packaging instructions, GMP and quality assurance certificates required, and other evidence of product quality to be submitted with the bid and with each shipment. Only if this is done will the objectives of economy, efficiency, and fairness in procurement be realized, responsiveness of bids be ensured, and the subsequent task of bid evaluation facilitated.

Specific pharmacopoeial standards should be listed for each product; if any of a range of standards is adequate (*British Pharmacopoeia*, *United States Pharmacopoeia*, *European Pharmacopoeia*, or *International Pharmacopoeia*), this should be noted. If special packaging or labeling is required for a subset of products, this should be indicated on the schedule of requirements (see above), but a generic statement of packaging and labeling applied to all products should be included in the general technical specifications. Instructions about labeling (contents and language) and package inserts can be included in the technical specifications, unless there are specific requirements for each batch or schedule of requirements.

#### Sample Technical Specifications

##### Pharmaceuticals

- |   |  |
|---|--|
| <p>1. <b>Product and Package Specifications</b></p> | <p>1.1 The Goods to be purchased by the Purchaser under this Invitation for Bids are included in the Purchaser's <i>current</i> national essential drugs list or national formulary. The required packing standards and labeling must meet the latest requirements of the World Health Organization (WHO) good manufacturing practices (GMP) standards in all respects. (These standards are contained in "Good Practices in the Manufacture and Quality Control of Drugs.")</p> <p>1.2 Product specifications indicate dosage form (e.g., tablet, capsules, dry syrup, liquid, ointment, injectable, emulsion, suspension, etc.) and the drug content (exact number of mg or international units [IU] or % v/v, w/w or v/w acceptable range).</p> |
|---|--|

The Goods should conform to standards specified in the following compendia: [The Borrower should specify an acceptable pharmacopoeia standard from one of the following: the *British Pharmacopoeia*, the *United States Pharmacopoeia*, the *French Pharmacopoeia*, the *International Pharmacopoeia*, or the *European Pharmacopoeia*, the latter particularly for raw materials.] *The standards will be the latest edition unless otherwise stated by the Purchaser or other if applicable.* In case the pharmaceutical product is not included in the specified compendium, *but included in the Purchaser's national essential drug list, the Purchaser should clearly indicate acceptable limits and the Supplier, upon award of the Contract, must provide the reference standards and testing protocols to allow for quality control testing.*

- 1.3 Not only the pharmaceutical item, but also the packaging and labeling components (e.g., bottles, closures, and *labeling*) should also meet specifications suitable for distribution, storage, and use in a climate similar to that prevailing in the country of the Purchaser. All packaging must be properly sealed and tamper-proof, *and packaging components must meet the latest compendium standards and be approved for pharmaceutical packaging by the manufacturer's national regulatory authority (RA). The Purchaser should specify any additional special requirements.*
- 1.4 All labeling and packaging inserts shall be in the language requested by the Purchaser or English if not otherwise stated.
- 1.5 Goods requiring refrigeration or freezing *or those that should not fall below a certain minimum temperature* for stability must specifically indicate storage requirements on labels and containers and be shipped in special containers to ensure stability in transit from point of shipment to port of entry.
- 1.6 Upon award, the successful Supplier shall, on demand, provide a translated version in the language of the bid of the prescriber's information for any specific goods the Purchaser may request.

## **2. Labeling Instructions**

- 2.1 The label of the primary container for each pharmaceutical and vaccine products shall meet the W210 GMP standard and include:
  - (a) The international nonproprietary name (INN) or generic name

prominently displayed and above the brand name, where a brand name has been given. Brand names should not be bolder or larger than the generic name;

- (b) dosage form, e.g., tablet, ampoule, syrup, etc.;
- (c) the active ingredient “per unit, dose, tablet or capsule, etc.”;
- (d) the applicable pharmacopoeial standard;
- (e) the Purchaser’s logo and code number and any specific color coding if required;
- (f) content per pack;
- (g) instructions for use;
- (h) special storage requirements;
- (i) batch number;
- (j) date of manufacture and date of expiry (in clear language, not code);
- (k) name and address of manufacture;
- (l) any additional cautionary statement.

2.2 The outer case or carton should also display the above information.

### **3. Case Identification**

3.1 All cases should prominently indicate the following:

- (a) Purchaser’s line and code numbers;
- (b) the generic name of the product;
- (c) the dosage form (tablet, ampoule, syrup);
- (d) date of manufacture and expiry (in clear language not code);
- (e) batch number;
- (f) quantity per case;
- (g) special instructions for storage;
- (h) name and address of manufacture;
- (i) any additional cautionary statements.

3.2 No case should contain pharmaceutical products from more than one batch.

### **4. Unique Identifiers**

4.1 The Purchaser shall have the right to request the Supplier to imprint a logo, if the quantity so justifies it, on the *labels of the*

*containers used for packaging and in certain dosage forms, such as tablets, and ampoules and this will be in the Technical Specifications. The design and detail will be clearly indicated at the time of bidding, and confirmation of the design of such logo shall be provided to the Supplier at the time of contract award.*

**5. Standards of Quality Control for Supply**

5.1 The successful Supplier will be required to furnish to the Purchaser:

- (a) With each consignment, and for each item a WHO certificate of quality control test results concerning quantitative assay, chemical analysis, sterility, pyrogen content uniformity, microbial limit, and other tests, as applicable to the Goods being supplied and the manufacturer's certificate of analysis.
- (b) Assay methodology of any or all tests if requested.
- (c) Evidence of bio-availability and/or bio-equivalence for certain critical Goods upon request. *This information would be supplied on a strictly confidential basis only.*
- (d) Evidence of basis for expiration dating and other stability data concerning the commercial final package upon request.

5.2 The Supplier will also be required to provide the Purchaser with access to its manufacturing facilities to inspect the compliance with the GMP requirements and quality control mechanisms.

## GLOSSARY OF COMMON PROCUREMENT TERMS

**Acceptance:** The act of accepting an offer; an indication of a willingness to pay; the assumption of a legal obligation by a party to the terms and conditions of a contract. Acceptance of an offer makes a contract complete and legally enforceable.

**Acceptable Quality level (AQL)** When a continuous series of lots is considered, the quality level which for the purpose of sampling inspection is the limit of a satisfactory process average. AQL is a parameter of sampling scheme and should not be confused with process average, which describes the operational level of the manufacturing process.

**Addendum:** An addition or supplement to a document; e.g., items or information added to a procurement document.

**Advance Tender Notification:** Notice of the timing of a tender to be advertised in the near future.

**Advertise:** To make a public announcement of the intention to purchase goods, services or construction with the intention of increasing the response and enlarging the competition. The announcement must conform to the legal requirements imposed by established laws, rules, policies and procedures to inform the public.

**Agent:** Person who act on behalf of another person (The principal) by their authority, express or implied, in dealing with third parties.

**Agreement:** A duly executed and legally binding contract; the act of agreeing.

**Amendment/Change Orders:** A written modification to a contract or purchase order or other agreements.

**Batch:** The quantity of a product produced in one production run.

**Bid:** A tender, proposal or quotation submitted in response to a solicitation from a contracting authority

**Bid Protest:** A complaint that is made against the methods employed or decisions made by a contracting authority in the administration of a process leading to the award of a contract.

**Bid-rigging:** An illegal collusion by tendering suppliers, where one or more bidders agree not to submit a bid, or two or more bidders agree to submit prearranged bids, to avoid competition in prices.

**Bid Set:** A package of data which identifies the article to be purchased, the quantity and delivery, and which includes designs, specifications, quality requirements and general conditions which will govern the contract resulting from acceptance of a bid.

**Bidders' Conference:** A meeting to discuss with potential bidders, technical, operational and performance specifications, and/or the full extends of financial, security and other contractual obligations related to a bid solicitation. Also known as Pre-bid Conference.

**Bill of Lading:** A written receipt or contract, given by a carrier, showing a list of goods delivered to it for transportation. The straight bill of lading is a contract which provides for direct shipment to a consignee. The order bill of lading is negotiable; it enables a shipper to collect for a shipment before it reaches its destination (this is done by sending the original bill of lading with a draft drawn on the consignee through a bank). When the consignee receives the lading indicating that payment has been made, the lading will be surrendered to the carrier's agent, and the carrier will then ship the goods to the consignee, and the bill of lading will be surrendered to the carrier.

*Note: Shippers frequently consign shipments to themselves on order bills of lading so that delivery is made only upon the shipper's order; the person or firm to be notified upon arrival of the shipment at destination must be designated.*

**Call-up:** A requisition or a request for delivery which is forwarded directly to a supplier to obtain delivery of materiel from a previously negotiated contract, or a standing offer, in accordance with their terms. (Similar to rate contract)

**Closing Date:** It is the deadline for submissions of complete bid. Bids submitted after the closing date is liable to be rejected and hence not considered for bid evaluation.

**Contract:** A contract is an obligation, such as an accepted offer, between competent parties upon a legal consideration, to do or abstain from doing some act. The essential elements of a contract are: an offer and an acceptance of that offer; the capacity of the parties to contract; consideration to support the contract; a mutual identity of consent; legality of purpose; and sufficient certainty of terms. Under the Government Contracts Regulations, a contract means a construction contract, a goods contract, a service contract or a lease entered into by or on behalf of GOB (Governor) by a contracting authority.

**Contract Signing Authority:** Contract Signing Authority is the person designated to occupy the position, that is, the incumbent of a position to whom authority has been delegated by virtue of any statute, to sign on behalf of the Governor of the State any contract, contract amendment or Standing Offer documents after ascertaining that the approval authority has been duly granted and ensuring that the term and conditions written in the documents reflects those approved by the contract approval authority.

**Competitive Bidding:** Offers submitted by individuals or firms competing for a contract, privilege or right to supply specified services or merchandise. This can be either National or International Competitive Bidding.

**Competent Authority:** It means, in respect of the power to be exercised under any of these rules, the Governor or such other authority to which the power is delegated by Compendium

Delegation of Authority , or any other general or special orders issued by the Government of India.

**Conflict of Interest:** A conflict of interest is where a person who is involved in the procurement has or may be perceived to have a personal interest in ensuring that a particular bidder is successful. The person involved in a tender process must declare actual and potential conflicts of interest.

**Conditions of Contract:** Indicates the rights and obligations of both parties once the contract has been awarded. This includes insurance requirements, price variation clauses, appointment of sub-contractors etc.

**Conditions of Tendering:** The rules governing what the tender submission should contain how it should be submitted, and how it will be evaluated.

There are general conditions of tender for supply of goods and services that apply to all tenders, such as treatment of late tenders. Specific rules can also be added that apply to an individual tender, for example, providing designs specifications of the machinery or equipment or details of quality standard compliance, etc.

**Consultant:** A particular type of contractor (refer contractor definition below) who is engaged to provide recommendations or specialist or professional advice (or more generally non-manual services) to assist or influence agency decision-making.

**Contractor:** An individual or organisation engaged under a contract (other than as an employee) to provide goods and/or services to an agency.

**Contract Amendment:** An agreed addition to, deletion from, correction or modification of a contract

**Contract Dispute:** Is a matter of dispute in respect of a contract that cannot be resolved between the contractor or its authorized representative and the contracting officer designated in the said contract.

**Contract Management:** Once the contract is awarded, a Departmental representative/s is assigned to manage the relationship between the Department and the Contractor. This includes managing any issues or risks that arise, and to generally ensure that the objectives of the project are met.

**Contract Variation:** A contract variation is an addition or alteration to the goods or services provided under a contract that is within the general scope of original contract.

**Delivery:** The formal handing over of property; the transfer of possession, such as by carrier to purchaser.

**Demurrage:** The detention of a ship, railroad, car or truck beyond a specified time for loading/unloading; the payment required and made for the delay.

**Design Specification:** A specification setting forth the required characteristics to be considered for award of contract, including sufficient detail to show how the product is to be manufactured.

**Drop Shipment:** Merchandise which is shipped by a manufacturer directly to a customer in response to the seller who collects orders but does not maintain an inventory.

**Escalation Clause:** A contract provision which permits the adjustment of contract prices by an amount or percent if certain specified contingencies occur, such as changes in the vendor's raw material or labour costs.

**Expression of Interest (EOI):** An Expression of Interest may be used as a means of exploring the market or to pre-qualify businesses to reduce the cost of tendering by restricting the issue of formal tenders.

**Estimated Value:** It indicated an approximate value of the contract in money terms.

**E-procurement** (Electronic Procurement) is either the business-to-business or Business-to-Consumer purchase and sale of supplies and services through the Internet as well as other information and networking systems, such as electronic data interchange (EDI) and Enterprise Resource Planning (ERP). An important part of many B2B sites, e-procurement is also sometimes referred to by other terms, such as supplier exchange. Typically, e-procurement Web sites allow qualified and registered users to look for buyers or sellers of goods and services. Depending on the approach, buyers or sellers may specify costs or invite bids. Transactions can be initiated and completed. Ongoing purchases may qualify customers for volume discounts or special offers. E-procurement software may make it possible to automate some buying and selling. Companies participating expect to be able to control parts inventories more effectively, reduce purchasing agent overhead, and improve manufacturing cycles. E-procurement is expected to be integrated with the trend toward computerized supply chain management.

There are six main types of e-procurement:

1. **Web-based ERP (Electronic Resource Planning):** Creating and approving purchasing requisitions, placing purchase orders and receiving goods and services by using a software system based on Internet technology.
2. **e-MRO (Maintenance, Repair and Operating):** The same as web-based ERP except that the goods and services ordered are non-product related MRO supplies.
3. **e-sourcing:** Identifying new suppliers for a specific category of purchasing requirements using Internet technology.

4. **e-tendering:** Sending requests for information and prices to suppliers and receiving the responses of suppliers using Internet technology.
5. **e-reverse auctioning:** Using Internet technology to buy goods and services from a number of known or unknown suppliers.
6. **e-informing:** Gathering and distributing purchasing information both from and to internal and external parties using Internet technology.

**FCA:** Free carrier- (common trade term - need to state a named place) The seller's obligation is to pack and deliver the goods on hand of the first or only carrier at the named port of carriage (seaport or airport) into the custody of the first or only carrier and clear them for export. The risk of loss or damage to the goods is transferred from the seller. The buyer's responsibility is to pay for the onward shipment of goods to the destination.

**FOB: Free on board:** (*common trade term - need to state the loading port*) The seller is responsible for placing the goods on board the first ship or carrier at a named port of shipment in the sales agreement. The seller pays the cost of loading the goods. Once the goods are on ship's platform, the risks and responsibility pass onto the buyer and so does the cost of onward shipping.

**Forecasting:** It is the act of calculating or estimating a situation or condition in advance; act of predicting the future. For the procurement of Drugs or medical Commodities, it is necessary to estimate the quantities. To do this there are three main methods utilising a) Consumption data, b) Morbidity data and c) Adjusted Consumption data.

**Force Majeure:** Acts of God and other specified risks (eg terrorism) which are beyond the control of the parties to the contract and as a result of which a party is prevented from or delayed in performing any of its non-financial obligations under the contract.

For purposes of this Manual, Force Majeure means an event beyond the control of the supplier and not involving the supplier's fault or negligence and which is not foreseeable and not brought about an instance of, the party claiming to be affected by such event and which has caused the non - performance or delay in performance. Such events may include, but are not restricted to, acts of the purchaser either in its sovereign or contractual capacity, wars or revolutions, hostility, acts of public enemy, civil commotion, sabotage, fires, floods, explosions, epidemics, quarantine restrictions, strikes excluding by its employees, lockouts, excluding by its management, and freight embargoes.

**Good Manufacturing Practice (GMP):** Good Manufacturing Practice is the part of quality assurance that ensures that the pharmaceutical products (medicines and medical devices) are consistently produced and controlled to the quality standards appropriate to their intended use and as required by the marketing authorization. The certificate is issued following inspection of the premises, manufacturing equipment, personnel, product and marketing documentation, in-house quality control, in-house process validation, etc. and is valid for a certain period of time.

Hence, lack of GMP certificate or quality system certificate from a manufacturer may be a cause for concern.

**Goods:** The term 'goods' includes all articles, material, commodities, livestock, furniture, fixtures, raw material, spares, instruments, machinery, equipment, industrial plant etc. purchased or otherwise acquired for the use of Government but excludes Books, publications, periodicals, etc. for a library.

**Head of a Department:** In relation to an office or offices under its administrative control means (a) an authority specified in Compendium Delegation of Authority Rule of the State and (b) any other authority declared as such under any general or special orders of the competent authority;

**Head of Office:** means (a) a Gazetted Officer declared as such under Compendium Delegation of Authority Rules of the State and (b) any other authority declared as such under any general or special orders of the competent authority;

**Inspection:** the process of measuring, examining, testing, gauging or otherwise comparing the unit of product with the applicable requirements.

**Inspection by Attributes:** Inspection whereby either the unit of product is classified simply as conforming or non-conforming or the number of nonconformities in the unit of product is counted, with respect to given requirement or set of requirements.

**Intellectual Property:** Legally protected property such as copyright, patents, and registered designs, as well as ideas and information of commercial value which an organisation has developed.

**International Competitive Bidding (ICB):** It is a method of procurement through open tender inviting for bids/proposal to be submitted by suppliers/bidder from eligible source countries as defined by IBRD guidelines for procurement. In the contrary, in case of National Competitive Bidding suppliers of Indian national only are eligible for the bid. ICB is also known as Global Tendering.

**International Organization for Standardization (ISO):** The International Organization for Standardization (ISO) is a worldwide federation of national standards bodies from some 140 countries. ISO is a nongovernmental organization established in 1947. The mission of ISO is to promote the development of standardization and related activities in the world to facilitate the international exchange of goods and services and to develop cooperation in the area of intellectual, scientific, technological and economic activity.

**International Procurement Services:** Organizations such as WHO, UNICEF, IDA, etc., and other groups that supply medicines and medical equipment on a non-profit basis.

**Invitation for Bid (IFB):** IFB is referred to as a “sealed bid”. It is usually for requirements over Rs. 25.00 lacs it is competitive and the lowest bid will win.

**Invitation to Tender (ITT):** It is an invitation to the eligible bidder to participate in the tendering process for supply of goods and services. An ITT is sent out to bidders when the opportunity is worth less than Rs. 25.00 lacs (or as defined from time to time) and has fairly straightforward requirements, such as a request for off-the-shelf goods. The lowest-priced responsive bid (the lowest bid that complies with all the mandatory requirements specified in the ITT document) will be awarded the contract.

**ISO standards:** Standards of general quality assurance are documented agreements containing technical specifications or other precise criteria to be used consistently as rules, guidelines or definitions of characteristics to ensure that materials, products, processes and services are fit for their purpose. The standards are not official standards and may be seen as voluntary, unless a government adopts them as part of regulatory legislation.

**Lead-time:** The time interval needed to complete the procurement cycle. It begins at the time the need for new stock is recognized and ends when that stock is received and available for issue.

**Letter of Interest (LOI):** LOI or Request for Information (RFI) is not open for bidding. The buyer is interested in receiving feedback from suppliers and may re-open or re-issue an opportunity as an open tender at a later day.

**Life Cycle Costing:** The total costs related to buying, running and disposing of a particular product.

**Limited International Bidding (LIB):** LIB is essentially international competitive bidding conducted by direct invitation to all qualified suppliers and without open advertisement. This method may be more appropriate when there are only a limited number of potential suppliers.

**Limited Tendering:** This is one of the tendering processes whereby only one or a limited number of suppliers are invited for participation in the bid instead of an open tender. However, this is resorted to only in special circumstances after obtaining a Certificate of Exemption for not having to conduct an open tender.

**Lot:** A collection of units of product from which a sample shall be drawn and inspected to determine conformance with the acceptability criteria, and which may differ from a collection of units designated as a lot for other purposes (for example, production, shipment, etc.)

**Lot Size:** the number of units of product in a lot.

**Lowest Responsible Vendor:** The vendor with the lowest price whose past performance, reputation and financial capability is deemed acceptable.

**Malfeasance:** Wrongdoing, especially by a public official.

**Manufacturer:** A business that created a finished product from raw materials.

**Material Variance/Material Deviation:** A variance or deviation in a response from specifications of conditions that allows a responder a substantial advantage or benefit not enjoyed by all other responders or that gives the state something significantly different from what the state requested in the solicitation document.

**Memorandum of Understanding or MOU** A document which records matters that have been agreed but which is not usually intended to be enforceable in the courts

**Monitoring and Evaluation:** A process to establish contract delivery and supplier performance, identification of areas of process weakness for review and improvement, and to demonstrate the benefit of effective and efficient procurements. Other areas include the comparison of price against market standard and to compare the procurement performance against national and international standard.

**National Accreditation Board for testing and Calibration laboratories. (NABL):** It is an autonomous body under the aegis of Department of Science and Technology, Government of India. NABL has been established with the objective to provide Government, Industry Associations and Industry in general with a scheme for third-party assessment of the quality and technical competence of testing and calibration laboratories. Government of India has authorised NABL as the sole accreditation body for Testing and Calibration laboratories.

NABL has established its Accreditation System in accordance with ISO/IEC 17011:2004, which is followed internationally.

The concept of Laboratory Accreditation was developed to provide a means for third-party certification of the competence of laboratories to perform specific type(s) of testing and calibration.

Laboratory Accreditation provides formal recognition of competent laboratories, thus providing a ready means for customers to find reliable testing and calibration services in order to meet their demands.

**National Competitive bidding:** It is the open bidding process normally used for public procurement in the country of the buyer. However, the bidders of Indian national are only eligible for the bid.

**Negotiation:** Requests for proposals are sometimes used as a starting point for negotiations to establish a contract. RFPs generally include more than just price considerations. This method is especially applicable when dealing with a single source manufacturer.

**Net Price:** Price after all discounts, rebates, etc., have been allowed.

**No Bid:** A response to a solicitation for bids stating that respondent does not wish to submit an offer. It usually operates as a procedure consideration to prevent suspension from the vendors list for failure to submit a response.

**Non-conforming Unit:** A unit of product or service containing atleast one nonconformity. Nonconformity unit is generally be classified by their degree of seriousness such as:

Class A –A unit which contains one or more nonconformities of class A and may also contain nonconformities of class B and/ class C.

Class B: A unit which contains one or more nonconformities of class B and may also contain nonconformities of class C, but contains no nonconformity of class A.

**Open Market Requisition (OMR):** The requisition document type used in MAPS Procurement to request the purchase of a non-contract item when the requested item's estimated cost exceeds the authority for purchase level of the buyer. An OMR conveys the request for purchase to the person with the authority to purchase. The resulting order type is most often the Purchase Order Requisition (POR).

**Option to Extend/Renew:** A provision (or exercise of a provision) which allows a continuance of the contract for an additional time according to permissible contractual conditions.

**Packing List:** Packing list is a document which gives the item-wise details of the contents of a particular package or shipment.

**Partial Payment:** The payment authorized in a contract upon delivery of one or more units called for under the contract or upon completion of one or more distinct items of service called for there under.

**Performance Security/Bond:** A contract of guarantee, executed subsequent to award by a successful vendor to protect the buyer from loss due to the vendor's inability to complete the contract as agreed. Performance security should be for an amount of five to ten percent of the value of the contract. Performance Security may furnished in form of an Account Payee Demand Draft, Fixed Deposit Receipts from a commercial bank, and Bank Guarantee from a commercial bank in an acceptable form safe guarding the purchase interest in all respects.

**Performance Specification:** A specification setting forth performance requirements determined necessary for the item involved to perform and last as required.

**Prequalification of Vendors:** The screening of potential vendors in which such factors as financial capability, reputation and management are considered when developing a list of qualified vendors.

**Price:** The amount of money that will purchase a definite weight or other measure of a commodity.

**Price Agreement/ Rate Contract:** A contractual agreement in which a purchaser contracts with a vendor to provide the purchaser's requirements at a predetermined price. Usually involves a minimum number of units, orders placed directly with the vendor by the purchase, and limited duration of the contract.

**Price Fixing:** It is one of the methods whereby the potential bidders restrain themselves from competing on price. It is a case of Collusion/ clandestine agreement among potential bidder to quote identical price by all of them.

**Proprietary:** The only items that can perform a function and satisfy a need. This should not be confused with "single source." An item can be proprietary and yet available from more than one source. For example, if you need a camera lens for a Nikon camera, the only lens that will fit is a Nikon lens, thus, this lens is "proprietary." However, the Nikon lens is available from more than one source, thus, it is not single source.

**Product Life Cycle:** It is the time period from product selection or conception, design and specification development, purchasing, manufacturing, packaging, delivery, warehousing, maintenance, repair and overhaul, through to use and disposal.

**Pre-qualification:** Pre-qualification is used to classify manufacturer, supplier or service provider according to their expertise and capability in specific work categories within a specific financial range.

**Probity:** Honest, proper, fair and ethical conduct, especially in relation to tendering processes.

**Probity Auditor:** An independent auditor who confirms if a procurement process has been conducted fairly.

**Procurement:** The entire process by which all resources are obtained by an entity, including planning, design, standards determination, specification writing, selection of suppliers, financing, contract administration, disposals and other related functions.

**Proposal:** It is an offer, submitted in response to a request from a contracting authority that constitutes a solution to the problem, requirement or objective in the request

**Procurement Advisory Group:** The Procurement Advisory Group undertakes an ongoing review of the Government's procurement policies and agency tender processes. This may also include the provision of advice to the Government on broader local content policy issues, particularly in respect of local industry participation in major development projects.

**Project:** Project is a temporary endeavour undertaken to create a unit product or service.

**Public Purchasing:** The process of obtaining goods and services for public purpose following procedures implemented to protect public funds from being expended extravagantly or capriciously.

**Purchase Order:** A document generated by a Department's financial management system which shows that purchase details have been recorded and payment will be made.

**Registration of Interest or ROI:** The first of a two stage publicly advertised tender process. Registration of interest are invited, responses evaluated and short-list of possible providers identified. The second stage is where short-listed bidders are asked to respond for tender.

**Request for Information or RFI:** A request issued to the market before a tender begins. It is used to gather information to be used to further develop the tender documentation.

**Request for Tender or RFT:** A publicly advertised method of seeking offers from providers or suppliers based on a written statement or specification of the required goods and/or services.

**Rate Contract:** A rate contract is an agreement between the Purchaser and Supplier to supply stores at specified prices during the period covered by the contract. No quantities are mentioned in the contract. Nor any minimum drawal is guaranteed. The rate contract is in the nature of a standing offer from the supplier firm. A legal contract would come into existence with the placement of individual order (Supply Order) and each such supply order will constitute a separate contract.

The contractor is bound to execute any supply order which may be placed upon him during the currency of the contract at the rates specified therein.

**Request for Quotation (RFQ):** This method of procurement is used in those cases where the goods are available from only one source, or for emergency supply. It is the least favoured method because in the absence of the competitive element it is more difficult to determine whether the prices quoted are economic and reasonable.

**Request for Proposal (RFP):** When an organisation requires goods and services that are specifically created to meet their needs, details are prepared which provides the vender with all the information required, so that the vender can determine if they can meet the specification and/ or costs.

**Restricted Tender:** Procurement procedure in which participation in bidding is limited to suppliers that meet certain prerequisites or have previously registered as suppliers.

**Responsible Bidder:** A bidder whose reputation, past performance, and business and financial capabilities are such that the bidder would be judged by an appropriate authority as capable of satisfying an organization's needs for a specific contract.

**Responsive Bidder:** A bidder whose bid does not vary from the specifications and terms set out in the invitation for bids.

**Sample:** As ample consists of one or more units of product drawn from a lot, the units of the sample being selected at random without regards to their quality. The number of units of product in the sample is the sample size.

**Sampling Plan:** A specific plan which indicates the number of units of products from each lot which are to be inspected (sample size or series of sample sizes) and the associated criteria for determining the acceptability of the lot (acceptance and rejection numbers)

**Sampling Scheme:** A combination of sampling plans with switching procedures

**Sampling System:** A collection of sample plans or schemes

**Supplier:** Suppliers are primary manufacturers of goods or individuals/organizations with authority to act as an agent for the primary manufacturer.

**Selective Tender:** A tender where only specific bodies are invited to make an offer.

**Single Tender Enquiry:** It is a situation when goods and services are procured from a single/sole source without resorting to competitive method only in special circumstances with the prior approval of the competent authority.

Circumstances under which this method is resorted to are;

- (i) When the particular firm is the only manufacturer, dealer or provider of the required product or services
- (ii) In case of emergency
- (iii) In case of standardised or proprietary product

**Specification:** A statement which clearly and accurately describes the essential requirements for goods, products or services. Specification may also include the procedures by which it will be determined that the requirements have been met.

**Standing Offer Agreement / Rate Contract:** It is a contract that sets out rates for goods and services which are available for the term of the agreement. However, no commitment is made under the agreement to purchase a specified value or quantity of goods or services.

**Standardization:** The process of defining and applying the conditions necessary to ensure that a given range of requirements can normally be met, with a minimum of variety, in a reproducible and economic manner based on the best current techniques.

**Tabulation of Responses:** The recording of responses for the purposes of comparison, analysis and record keeping.

**Tendering:** The procedure by which competing bids are entered for a particular contract

**Tender:** The process of inviting parties to submit an offer by public advertisement, followed by evaluation of offers and selecting a successful bidder. It also means the document containing an offer from an organisation responding to a request for tender.

**Tender Box:** A tender box is a point of lodgment for tenders to ensure that the documentation is kept secure until the tender period closes.

Generally a tender box:

- ✓ is a box or cabinet with an opening which allows large envelopes to be lodged, but which does not permit access to the contents;
- ✓ should be secured in a fixed position; and should be locked with two locks with different keys, maintained by two different officers.

**Tenderer:** A party submitting a tender.

**Tender Briefing/Pre-bid conferences:** A forum held where a Government representative briefs prospective tenderers regarding a tender process, and responds to questions.

**Tender Type:** Is the mechanism under which an opportunity is offered to potential suppliers. Types include Advanced Contract Award Notice (ACAN), Letter of Interest (LOI), and Request for Information (RFI) and Notice of Bidding Request/Notice of Proposed Procurement (NPP).

**Terms and Conditions:** A phrase generally applied to the rules under which all bids must be submitted and the stipulations included in most purchase contracts; often published by the purchasing authorities for the information of all potential vendors.

**Terms of Reference (ToR):** A ToR is a document, which describes the purpose and structure of a project.

ToR defines the project:

- ✓ Vision, objectives, scope and deliverables (i.e. what has to be achieved)
- ✓ Stakeholders, roles and responsibilities (i.e. who will take part in it)
- ✓ Resource, financial and quality plans (i.e. how it will be achieved)
- ✓ Work breakdown structure and schedule (i.e. when it will be achieved)

The Terms of Reference sets out a roadmap for the project. It gives the project team a clear path for the progression of the project, by stating what needs to be achieved, by whom and when. The project team must then create a suite of deliverables, which conform to the requirements, scope, and constraints set out in this document.

**Two Bid Systems:** Under this system the bidders are asked to provide their bid in two parts. Where the first part should contain the technical details and second part should contain the financial details. Two-bid system is resorted to when the item under procurement demands the technical excellence and understanding of the bidder.

**Quality Assurance:** A system of activities whose purpose is to provide assurance that the quality control is being done effectively.

**Quality Assurance Plan:** The strategy and methods a project manager deploys to ensure: that the project is being managed, developed, and deployed in a sound, reasonable way; and that the project's deliverables are of acceptable quality before they are delivered to the project's clients.

**Quality Control:** A system for ensuring the maintenance of proper standards in manufactured goods, especially by periodic random inspection of the product.

**Quantitative Evaluation:** Involves the use of numerical measurement and data analysis based on statistical methods. It is an assessment process that answers the question, "How much did we do?"

**Quotation:** A quotation is the bid submitted in response to a Request for Quotation from a contracting authority.

**Unsuccessful Vendor:** A vendor whose response is not accepted for reasons such as price, quantity, failure to comply with specifications, etc.

**Unit of product:** The item inspected in order to determine its classification as conforming or nonconforming, or to count the number of nonconformities. It may be single article, a pair, a set, a length, an area, an operation or a volume. It may a component of an end product itself. The unit of product may or may not be the same as the unit of purchase, supply, production, shipment.

**Vender:** A seller of goods and services. Some manufacturer can also be a vender.

**Vendors List:** A list of names and addresses of suppliers from whom bids; proposals and quotations might be expected. The list, maintained by the purchasing office, should include all suppliers who have expressed interest in doing business with the government.

**Warranty:** It is the representation either expressed or implied that a certain fact regarding the subject matter of a contract is presently true or will be true. Not to be confused with "guarantee," this means a contract or promise by one person to answer for the performance of another person.