

## **Vigilance Circular No. 01/2010-11 dated 25-06-2010**

### **Tender Procedures**

It has been observed by the Vigilance Department as well as by the Technical Inspection team from the Central Vigilance Commission that proper tender procedures are being violated repeatedly by the Tender Committees of HEC. The CVC has taken exception to this. The following guidelines are being reiterated for strict compliance by all Departments of the Company.

- **NIT Conditions :**

With a view to have wider, fair and adequate competition, it is important that sufficient time of (4-6 weeks in case of Advertised/Global tenders and 3- 4 weeks in case of limited tenders) should be allowed, except in cases of recorded emergencies, wherein also a reasonable time should be permitted and tenders should be sent by faster means like speed post/fax. The tenders should preferably be kept open for sale till the date of tender opening or just one day prior to the date of tender opening. With the widespread use of Information Technology, the tender notices should also be put on the website and e-mail address of the organization should be indicated in the tender notice. All the qualifying criteria to be applied for technical / techno-commercial evaluation before opening of the price bids for judging the suitability of the bids should be clearly and unambiguously mentioned in the NIT so that make the process of selection perfectly transparent.

It is imperative that the purchase on single tender basis be made with the detailed justification in its support and with the approval of Competent Authority, cannot be ruled out.

- **Publicity**

- (i) In addition to the existing rules and practices regarding adequate publicity of tenders through newspapers, trade journals and providing tender documents manually and through post etc. the complete bid documents along with application form shall be published on the website of the organization.
- (ii) The complete application form should be available on the web site for purposes of downloading and application made on such a form shall be considered valid for participating in the tender process.
- (iii) The copy of the print screen of the relevant webpage where the tender is published should be kept in the concerned file for future reference.

- **Opening of Tenders**

Despite existing guidelines repeatedly emphasizing the need to maintain transparency in receipt and opening of the tenders and to make suitable arrangements for receipt of sealed tenders at the scheduled date and time through

conspicuously located tender boxes, it was noted that tenders are not being received through tender box. Further, no separate tender receipt register is being maintained. Entries of tenders received are being made in the common dak register where the time of receipt of tender is not being indicated. This procedure is highly objectionable and against the sanctity of tendering system. Tenders should invariably be received through tender box. In cases where the tenders are required to be submitted by hand due to the bulky size of the tender documents, it is to be ensured that the names and designations of at least two officers are mentioned in the bid documents for receiving the tenders. The information about these officers should also be displayed at the entrance/reception of the premises where the tenders are to be deposited so as to ensure convenient approach for the bidders. A tender receipt register indicating date and time of receipt of tenders should also be maintained for receipt of tenders by hand. It must be ensured that the proper procedure for receipt of tenders through conveniently located tender box is followed.

The opening of tenders in presence of trade representatives needs to be scrupulously followed. While, opening the tenders by the tender opening officer/committee, each tender should be numbered serially, initialed and dated on the first page. Each page of the tender should also be initialed with date and particularly, the prices, important terms and conditions etc. should be encircled and initialed in red ink by the tender opening officer/committee. Alterations in tenders, if any, made by the firms, should be initialed legibly to make it perfectly clear that such alterations were present on the tenders at the time of opening. Wherever any erasing or cutting is observed, the substituted words should be encircled and initialed and the fact that such erasing/cutting of the original entry was present on the tender at the time of opening be also recorded. The tender opening officer/committee should also prepare 'on the spot statement', giving details of the quotations received and other particulars like the prices, taxes, duties and EMD etc. as read out during the opening of the tenders.

Further, in case of 'Two bid' system, it has been noticed that after opening of the technical bids, the price bids, which are to be opened subsequently, are kept as loose envelopes. In such cases, the possibility of the change of bids prior to tender opening cannot be ruled out. In order to make the system fool proof, it needs to be ensured that not only the tender opening officer/committee should sign on the envelopes but the signatures of two trade representatives should also be obtained on all the envelopes containing the price bids. Thereafter, all the envelopes should be put in a bigger envelope/box and the same should be properly sealed duly signed by the tender opening officer committee and trade representatives.

- **Evaluation of Bids:**

It should be ensured that pre-qualification criteria, performance criteria and evaluation criteria are incorporated in the bid documents in clear and unambiguous terms as these criteria very important to evaluate bids in a

transparent manner. Whenever required the departments/organizations should follow the two-bid system, i.e. technical bid and price bid. The price bids should be opened only of these vendors who were technically qualified by the Deptt./ Organisation. All pre-qualification and evaluation or exclusion criteria. which the organization wants to adopt should be made explicit at the time of inviting tenders so that basic concept of transparency and interests of equity and fairness are always satisfied. The acceptance or rejection of any bid should not be arbitrary but on justified grounds as per the laid down specifications, evaluation or exclusion criteria leaving no room for complaints, and everything that goes into the decision making on any aspect of tender evaluation and selection of bidders should be carefully and meticulously noted in the file with full details.

The prequalification criteria is a yardstick to allow or disallow the firms to participate in the bids. A vaguely defined PQ criteria results in stalling the process of finalizing the contract or award of the contract in a non-transparent manner. It has been noticed that organizations, at times pick up the PQ criteria from some similar work executed in the past, without appropriately amending the different parameters according to the requirements of the present work. It is, therefore, necessary to fix in advance the minimum qualification, experience and number of similar works of a minimum magnitude satisfactorily executed in terms of quality and period of execution.

- **Documentation**

Every file should be page numbered carefully and all papers including complaints received on any bid should be placed in a single file. The note side and correspondence side should be kept separate. All cuttings/ alterations should be authenticated and no whitener should be used for making any change in the notings.

The decisions and deliberations of the individuals or the Tender Committees also need to be properly recorded and well documented. It must be remembered that the notes should reflect not only the final decision of the tender committee but also how that decision was arrived at and all the considerations that went into any decision.

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