

PROJECT COORDINATION UNIT (PCU)
ASSAM AGRICULTURAL COMPETITIVENESS
PROJECT (AACP)
IDA Cr. 4013



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GUIDELINES FOR PROCUREMENT BY ATMAs

PREFACE:

- 1) **As per provision of PAD** - (a) introduction of ATMA concept is to revitalize the extension system, devolving extension funding and management down to district level; (b) the ATMA management concept closely involves district administration and panchayats in planning and implementation to enhance the prospect of sustainability of ATMAs; (c) Features of ATMA include decentralized extension funding, planning and execution down to district/block level; (d) ATMA model is fortified by active involvement of District Deputy Commissioners; (e) ATMA needs to have an operational flexibility as decided by the farmers and other stakeholders; (f) Organizationally, the day-to-day activities is envisaged to be coordinated by a full-time District Extension Coordinator, who would usually be a senior officer from one of the line departments, supported by a Deputy Extension Coordinator and clerical supports; (g) *Based on a diagnostic surveys in each ATMA district through PRA*, the DADs prepared would set out objectives and funding requirement. (h) DADs will be the base for Block Action Plans (BAP)is to be prepared, sanctioned by farmer committees and implemented by the BTTs (*note: The DAD & BAP would be the base of Annual Action Plan for each district*).
- 2) It may be stated here that the World Bank guidelines on National Shopping does not specify the manner in which the quotations are to be obtained. Interpretation of para 3.5 of the Guidelines requires the purchaser to obtain and compare at least three quotations to establish reasonableness of price. However, it is felt that transparency in public procurement is best achieved through: (a) effective advertising, (b) public bid opening, (c) objective bid evaluation criteria, (d) independent evaluation, (e) award to the lowest evaluated bidder without negotiations, (f) publication of award results, (g) fair and speedy protest handling process, (h) disclosure of signed contracts and prices. Procurement procedures other than open competitive bidding in case of shopping is therefore to be restricted and contained within appropriate limits.
- 3) It appears from the relevant Cost table (No. 5) that, *viewed district wise*, almost all contracts under ATMAs will be under the National Shopping procurement procedure of the World Bank
- 4) It is therefore considered necessary to have a fully transparent and efficient procurement system for procurement through National Shopping under AACP by District ATMAs and considering the same this guideline is prepared and circulated for adherence by all concerned.
- 5) Nevertheless, in furtherance to the formation objective of ATMAs, this guideline is not intended to be restrictive but indicative, to ensure transparency and economy in procurement. And therefore any other equivalent procedure, as determined by the Governing Body of ATMAs to ensure transparency and economy in procurement would be acceptable.

GUIDELINE FOR NATIONAL SHOPPING UNDER AACP BY ATMAs

- 6) **Definition of National Shopping (NS)** : As per the “Guidelines: Procurement Under IBRD Loans and IDA Credits: May 1004, published by the World Bank” at para 3.5 ... “Shopping is a procurement method based on comparing price quotations obtained from several suppliers (in the case of goods) or from several contractors (in the case of civil works), with a minimum of three, to assure competitive prices, and is an appropriate method for procuring readily available off-the-shelf goods or standard specification commodities of small value, or simple civil works of small value. Requests for quotations shall indicate the description and quantity of the goods or specifications of works, as well as desired delivery (or completion) time and place. Quotations may be submitted by letter, facsimile or by electronic means. The evaluation of quotations shall follow the same principles as of open bidding. The terms of the accepted offer shall be incorporated in a purchase order or brief contract.”
 - (a) Wherever, the word ‘purchaser’ is used in this guideline, it implies the authority that will issue supply order/ signed contract with the supplier/ contractor.
 - (b) Wherever, the word ‘bidder’ and ‘quotationer’ are used, it has the same meaning.
- 7) **Threshold for procurement through National Shopping:** As per the Draft Legal Agreement with the World Bank, the threshold for National Shopping under AACP is \$ 30,000 or equivalent (Rs.13.50 Lakhs) per individual contract for Works and \$ 50,000 or equivalent (Rs. 22.50 lakhs) per individual contract for Goods. It is anticipated that, *viewed districts wise*, most of the procurements under

ATMAs will fall under 'National Shopping' procedure of the World Bank. However, contracts falling above the threshold of National Shopping shall be procured following through National Competitive Bidding procedure of the World Bank as laid down in the "Guidelines: Procurement Under IBRD Loans and IDA Credits: May 1004, published by the World Bank". In case of the later Project Coordination Unit of ARIASP Society/ Project Director may be approached for guidance.

- 8) **General Checklist: Key Points** The provisions cited here, are further elaborated in subsequent paras.
- a) **Sanction / AA:** Procurement process, i.e floating of bids/ quotations etc., shall not be initiated till Sanction/ AA to the Annual Work Plan (WP) based on prioritized **Strategic District Agricultural Development Plan** (SDADP) is issued by ATMA Society. Initiation of procurement process before Sanction/ AA for individual contract valued **above Rs.10,000/-** shall be only with prior in-principle concurrence by the **Chairman, ATMA Society or Management Committee** of the ATMA Society.
 - b) **Advertisement:** Short Notice Inviting Quotations (NIQ) shall be published in local newspapers, except for individual procurements of value upto **Rs. 10,000/-**. Obtaining quotation directly from potential genuine suppliers/ contractors shall be only with prior concurrence of the **Management Committee** of the ATMA Society. However, for individual procurements of value upto **Rs. 10,000/-**, quotations can be obtained directly atleast from 3 (three) from genuine from potential genuine suppliers/ contractors .
 - c) **Opening of Quotations/ Bids in case of :** At the date indicated in the NIQ and in presence of the quotationers / bidders who choose to remain present, In case of obtaining quotations through press advertisement.
 - d) **Evaluation of Quotations/ Offers:** Strictly as per the technical specifications, terms & conditions laid down in the detailed NIQ/ Bidding Document. The quoted bid prices shall be compared, without taxes but inclusive of incidental & transportation costs quoted by the bidder. In case of quotations obtained directly, the lowest shall be selected for award of contract/ supply order.
 - e) **Negotiations:** No negotiations with the quotationers / bidders.
 - f) **Contract Award:** In case of obtaining quotations through press advertisement, only to the Lowest Evaluated Responsive Bidder (LERB) i.e to a bidder whose quotation is determined to be substantially responsive and who has offered the lowest evaluated quotation price. The quoted price of the LERB bidder shall be verified with prevailing market rates. If LERB is not selected for award of contract, concurrence of the Project Coordination Unit (PCU) of the ARIASP Society shall be obtained with due justifications, supporting documents, before award of contract.
 - g) **Bid Validity:** In case of obtaining quotations through press advertisement, Contract shall be awarded within the initial bid validity period indicated in the NIQ. *Extension of bid validity beyond 30 days of original bid validity shall be with prior concurrence of PCU with proper justification.*
 - h) **Splitting of Quantity:** In case of obtaining quotations through press advertisement, No Splitting of the Quantity stipulated in NIQ and no splitting of contracts.
 - i) **Post Review Audit:** All procurement will be audited by PCU staff / World Bank and to facilitate the same all relevant documents shall be retained in a systematic manner. Violation of norms shall lead to declaration of mis-procurement by PCU/ World Bank and the onus in that event will lie with the **Extension Coordinator (EC)** of the District ATMA the respective ATMA.
 - j) **Prior Concurrence of Chairman, ATMA Society/ Management Committee, ATMA Society:**
 - i. If quotations/ offers are to be obtained without newspaper advertisement, for individual procurements **above** Rs. 10,000/-
 - ii. In case quotations were obtained through press advertisement and the Lowest Evaluated Responsive Bidder is not selected for award for contract, ,
 - iii. For rejection of all bids and to go for fresh bidding process.
- 6) **Sanction / AA:**
- a) Procurement process, i.e floating of bids/ collection of quotations etc., shall not be initiated till Sanction/ AA to the Annual Work Plan (WP) based on prioritized **Strategic District Agricultural Development Plan** (SDADP) is issued by Governing Body of ATMA Society (*which is scheduled atleast twice a year*), *subject to provisions below.*
 - b) Initiation of procurement process before Sanction/ AA for individual contract valued **above Rs.10,000/-** shall be only with prior in-principle concurrence by the **Management Committee** of the ATMA Society, which shall be subsequently **ratified** by the respective GB of ATMA Society.
 - c) Procurement process before Sanction/ AA for individual contract valued **below Rs.10,000/-** shall be only with prior concurrence from the respective **Management Committee** of the **ATMA Society**, which is envisaged to sit every month.

7) **Procedure for National Shopping:**

a) **Obtaining quotations:**

- i. The NIQ shall *inter alia* specify the date & period during which the document containing Technical Specification/ BOQ and Detailed Terms & Conditions (DTC) will be issued, last date of submission of quotations and the date of opening of the quotations.
- ii. The Bank's Format of Seeking Quotations : E-5 for Goods and W-5 for Works may be used, with suitable modification.

b) **Bidding time:**

- i. In case of publications of the NIQ in the Local News Paper, minimum 7 days time for submission of quotations by the prospective suppliers/ contractors, from the date of publication.
- ii. In case of collection of quotations, minimum 3 days time from the date of request for submission of quotations. (**Note-** (a) Name of the firms requested to submit quotations, with complete address and telephone No. shall be recorded in the letter requesting submission of quotations; (b) *The EC must exercise due diligence to satisfy himself that the firms requested are reputable, well established, and are suppliers of the required goods or works, being purchased, as part of their normal business and preference shall be given to firms having a valid dealership certificates of the respective manufacturers; and (c) if unsolicited quotations are received these may be accepted after carrying out a similar due diligent exercise to verify the nature and reputation of the firms, in order to be fair to all prospective bidders*)

c) **Preparation of the document containing Detailed Terms & Conditions and Specifications(DTCS) etc.** The following key issues is to be clearly drafted in the DTCS, as determined to be relevant –*Bank's Standard Format of Seeking Quotations : E-5 for Goods and W-5 for Works may be used, with suitable modification.*

- i. Description of the goods or works with technical specifications. **Note:-** *Technical Specification should be drafted in such a manner that quotations offering spurious goods get rejected.*
- ii. Quantity of the Goods/ Bill of Quantity for Works. **Note:-** *Once the quantity for which NIQ is published, the quantity shall not be subsequently split/ segregated into two or more, with the intention of award contract to other bidders at the rate of the lowest evaluated responsive bidder*
- iii. Delivery period (*e.g 10 or 15 or 30 days*), location, consignee,
- iv. Payment terms and period within which payment will be made (*e.g. 100% upon delivery & installation or 90% against delivery & installation and balance 10% after the hand holding period of say 30 days*),
- v. Warranty terms (*e.g. 12 months or preferably Standard Warranty terms of the Manufacture*),
- vi. Requirement of dealership certificate of the manufacturer or authorization for goods,
- vii. Bill of Quantities for works,
- viii. Whether 'sample' of the offered goods is to be submitted, if yes, when and how the samples are going to be tested, when they will be returned etc.
- ix. Validity of the quotation required (*e.g 30 days or 45 days or 60 days*),
- x. How taxes will be dealt with as per prevailing norms of the Govt.,
- xi. Requirement of Bid Security (BS) i.e Earnest Money or Performance Security. **Note:** *In case of BS requirement, consequence due to absence of the same along with the quotation. This is not advisable in case of collection of quotations directly. Similarly for normal off-the-self items performance security may also be not required.*
- xii. Any statutory GOA requirements in submission of quotations such as PAN, STCC, ITCC etc.
;
- xiii. Date & period during which the DTCS will be issued and
- xiv. Date of opening of the quotations. **Note:-** *(a) in order to maintain transparency, it is advised to indicate in the NIQ/ requests for quotes, the scheduled date of submission of quotes. Quotations should be opened in public i.e. in the presence of bidders or representatives who choose to attend; (b) In order to avoid bogus bidders, it is advised not to accept bids through fax, telex, letter, or electronic mailing/ messaging, accordingly this may be indicated in the NIQ and all bids received in original shall be kept in safe custody for the record and for subsequent verification; (c) Late Bids should be rejected; (d) Quotations shall be opened at the time, date and place indicated in the NIQ and in presence of the questioners / bidders who choose to remain present; (e) Signature of all the bidders who attended the meeting*

along with officials present shall be obtained in the Minutes of the Bid/ Quotation Opening Meeting including in the sheet where announced bid/ quoted prices are recorded.

- d) **Extension of bidding time:** If three quotations are not received within the time set, the purchaser may give a reasonable additional time (before opening of the already received bids), say seven more days, to get additional quotations and publish an extension notice in news papers accordingly. However, extension may not be required in case adequate publicity was there and there is an urgency to procure the item.
- e) **Preparation of Comparative Statement (CS): Evaluation of quotations.**
- i. Evaluation of quotations/ bids shall be strictly as per the technical specifications, terms & conditions laid down in the detailed NIQ/ Bidding Document/ DTC . For the purpose of preparation Comparative Statement, the quoted bid prices, without taxes but inclusive of incidental, transportation to final destination, insurance etc. costs quoted by the bidder, shall be compared.
 - ii. During evaluation of quotations, the laid down technical specifications or terms & conditions as per the DTC shall not be relaxed. For example,
Quotations asking for 'Pen', should not be interpreted as 'ink Pen' or Ball Pen' at the time of evaluation - a bidder may quote 'Ball Pen' with less price and another bidder may quote 'Ink Pen' with higher price. During evaluation, as long it is a 'pen', a bidder is deemed to have offered the required item. If the requirement is 'Ink Pen', it should be indicated so in the NIQ & DTCS. Similarly, Quotations asking for 'Ink Pen', should not be interpreted as 'Ball Pen' or 'Pen' at the time of evaluation- a bidder may quote 'Ball Pen' with less price and another bidder 'Ink Pen' with higher price. Just because the 'Ball Pen' offer is cheap, it should not be selected, as it's technical specification does not meet requirements
 - iii. The reasonability of the offered rates shall be compared with the prevailing market rates and a statement in the CS saying that “The rates of lowest evaluated responsive bidder is reasonable and as per prevailing market price”.
 - iv. No quotations shall be rejected due to lack of documents which are ‘historical’ in nature, such as non-availability of ITCC/ STCC, PAN No., balance sheet, credential certificates etc. Similarly, Quotations shall not be rejected on hyper technical or procedural ground such as absence of product leaflet, Court Fee Stamp, non submission of quotations as per prescribed formats etc. In case, the same are not available in the offer, these may be obtained through a clarification giving a reasonable time for submission.
 - v. Comparison of two quotations may be justified only when there is evidence satisfactory to the purchaser that there are only two reliable sources of supply and/or even after adequate newspaper publicity and extension of time only two quotations are received. It is also possible that not all the suppliers invited will respond to the request for quotations, and to avoid the same letters requesting quotes may be sent to 6 or more.
 - vi. **Rejection of all bids:** Purchaser may reject all bids provided: (i) all bids are not responsive; (ii) the price offered by the lowest bidder is substantially higher than the confirmed logical estimate for the contract or substantially higher than the prevailing market price.; (iii) the process was not competitive, i.e., only few bids (less than 3) were offered although several bidders could be interested in bidding. In such event **Management Committee's (of ATMA Society)** no-objection for re-bidding shall be obtained before floating fresh NIQs.
- f) **Award of contract/ Issue of Supply or work Order**
- i. The lowest priced quotations/ offer shall be selected for award of contract, provided the Lowest Evaluated Responsive Bidder (LERB) i.e a bidder whose quotation is determined to be substantially responsive i.e conforms to the laid down technical specifications and other terms & conditions stipulated in the NIQ/ DTCS and who has offered the lowest evaluated price, shall be selected for Award of contract/ Issue of Supply or work Order. The price offered by the LERB shall be cross verified for reasonableness with prevailing market rates . Award should be made to the lowest evaluated responsive bidder without any negotiations.
 - ii. Contract shall be awarded only to the lowest evaluated responsive bidder at his own quoted cost and not to any other bidder at the rate quoted by the lowest evaluated responsive bidder.
 - iii. Once the quantity for which NIQ is published, the quantity shall not be subsequently split/ segregated into two or more, with the intention of award contract to other bidders at the rate of the lowest evaluated responsive bidder.
 - iv. **No Splitting of contracts or the required quantity** - Splitting of the Quantity stipulated in NIQ at the time of award or splitting of contracts shall not be done.

- v. If the purchaser selects a quotation/ bid/ offer that is not the LERB for whatsoever reason, **Management Committee's** (of ATMA Society) or **Chairman ATMA Society's** prior no-objection shall be obtained before award of contract/ issuance of supply order – the proposal for the same is to be accompanied by detailed note justifying the recommendation, relevant supporting documents.
- vi. An abstract of CS as per the following format shall be prepared individually for each item and send to PCU for record. **Note :- Breakup of the sub-items need not be indicated if bids are required to be evaluated for the 'item' as a whole. e.g. For procurement of Utensils, the price for the individual items like Bucket, Mug etc. included under 'Utensils' need not be indicated separately, if as per terms & conditions of the NIQ the bids are required to be evaluated for the item 'Utensil' as a whole.**

1. Name of the District (ATMA Society):..... Name of Item/ work:.....				
2. Reference of ATMA Society's AA No. / Sanction No. or in principle concurrence for procurement ahead of Sanction / AA: No. Dated				
3. NIQ No. dated.....				
4. Name of the local daily Newspapers in which NIQ is published: 1)..... Dated				
2)..... Dated				
5. In case quotations were obtained directly from manufacturer or their dealers/ agent or local shops, reference of EC's letter to the firms : No. Dated				
5. Reference of the minutes of the procurement committee: Date:				
6. No. of DTCS issued: No. of quotations received:				
7. Name of the Quotationer/ Bidder Selected for Award with addresses:				
Sl	Name of Quotationer / Bidder	Total quoted price (Rs.) without taxes	Ranking	Remarks - Reasons for Rejection. Also indicate the accepted offer & rate
1				
2				
Signature of EC & Seal ;				

g) Complaints:

- i. Complaints should be accepted at any time. Those received before bid opening should be addressed before bid opening. All others should be taken into account during the process but the response may be announced only after award is recommended.
- ii. Copies of complaints/ protests received and replies/ responses should be kept in safe custody for review the PCU/ World Bank. As a matter of principle, complaints/ protests should not be reviewed by the purchaser/ tender or Bid Evaluation committees but by an independent protest mechanism within the ATMA Society.
- h) When protests are submitted before award tender / Bid Evaluation committees may revisit the decisions for fairness.
- i) **Post Award Audit:** All National Shopping procurement will be audited by PCU staff / World Bank officials. For this purpose, full Documentation relating to procurement (*such as etc*) shall be retained safely and the EC shall be responsible for the same. The record shall inter alia contain the list of firms invited/ evidence of publication of NIQ, the list of the quotations received with bid value, original bids received, minutes of the Evaluation Committee, *original quotations/ bids and other documents leading to the award decision and its rationale, contract signed/ supply order issued* and any other documents that clearly states the award is based on sound economic criteria. A contract register shall be maintained as per the following format

Assam Agricultural Competitiveness Project (AACP)												
Register Of Contracts												
<i>Name of the ATMA Society:</i>										<i>District:</i>		
Sl.	Cost Table No.	Component	Name of item with Quantity	Contract Type :Work/ Goods/ Consultants	Method of Obtaining Quotation (Newspaper Advt. or collection)	Date of Floating of NIQ	Date of Opening of Quotations	Date of Finalization of CS	Contract No. / Supply order with Date	Name of Contractor / Supplier	Contract Price	Date of release of final payment

E-5

**PROCUREMENT OF GOODS
UNDER
NATIONAL SHOPPING (NS) PROCEDURES**

*(For Contracts valued less than the
equivalent of US \$30,000 each **)*

*** For AACP the National Shopping (NS) Limit for Goods contract
is upto US \$ 50,000 each,
and hence
this document may also be used for
NS Goods contracts upto US \$ 50000 each*

ATMA Society: District.....
INVITATION FOR QUOTATIONS FOR SUPPLY OF
GOODS UNDER NATIONAL SHOPPING PROCEDURES

To _____

Dear Sirs,

Sub : Invitation For Quotations For Supply Of

1. You are invited to submit your most competitive quotation for the following goods:-

Brief Description of the Goods	Specifications*	Quantity	Delivery Period	Place of Delivery	Installation Requirement if any
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* Where ISI certification marked goods are available in market, procurement should generally be limited to goods with those or equivalent marking only.

2. Government of India has received a credit from the International Development Association (IDA) in various currencies equivalent to US\$ 154 Million towards the cost of the Assam Agricultural Competitiveness Project (AACP) and intends to apply part of the proceeds of this credit to eligible payments under the contract for which this invitation for quotations is issued.

3. **Bid Price**

- a) The contract shall be for the full quantity as described above. Corrections, if any, shall be made by crossing out, initialing, dating and re writing.
- b) All duties, taxes and other levies payable by the contractor under the contract shall be included in the total price.
- c) The rates quoted by the bidder shall be fixed for the duration of the contract and shall not be subject to adjustment on any account.
- d) The Prices should be quoted in Indian Rupees only.

4. Each bidder shall submit only one quotation.

5. **Validity of Quotation**

Quotation shall remain valid for a period not less than **15 days** after the deadline date specified for submission.

6. **Evaluation of Quotations**

The Purchaser will evaluate and compare the quotations determined to be substantially responsive i.e. which

- (a) are properly signed ; and
- (b) conform to the terms and conditions, and specifications.

The Quotations would be evaluated for all the item together/would be evaluated separately for each item. *[Select one of the options]*.

7. **Award of contract**

The Purchaser will award the contract to the bidder whose quotation has been determined to be substantially responsive and who has offered the lowest evaluated quotation price.

7.1 Notwithstanding the above, the Purchaser reserves the right to accept or reject any quotations and to cancel the bidding process and reject all quotations at any time prior to the award of contract.

7.2 The bidder whose bid is accepted will be notified of the award of contract by the Purchaser prior to expiration of the quotation validity period. The terms of the accepted offer shall be incorporated in the purchase order.

8. Payment shall be made immediately after delivery of the goods.

9. Normal commercial warranty/ guarantee shall be applicable to the supplied goods.

10. You are requested to provide your offer latest byhours on(date).

11. We look forward to receiving your quotations and thank you for your interest in this project.

(Purchaser)

Name:

Address:

Tel. No.

Fax No.

W-5

**PROCUREMENT OF CIVIL WORKS
UNDER
NATIONAL SHOPPING PROCEDURES**

(For Works valued less than equivalent of \$ 30,000 each)

ATMA Society: District.....
INVITATION FOR QUOTATIONS FOR CONSTRUCTION OF
CIVIL WORKS UNDER SHOPPING PROCEDURES

To _____

Dear Sirs,

Sub : Invitation For Quotations For Construction Of _____

1. You are invited to submit your most competitive quotation for the following works:-

Brief Description of the Works	Approximate value of Works (Rs.)	Period of Completion
--------------------------------	----------------------------------	----------------------

2. Government of India has received a credit from the International Development Association (IDA) in various currencies equivalent to US\$ 154 Million towards the cost of the Assam Agricultural Competitiveness Project (AACP) and intends to apply part of the proceeds of this credit to eligible payments under the contract for which this invitation for quotations is issued.

3. The _____ Project in _____ state is being implemented by _____, which is an autonomous society registered under the Societies Registration Act. *Delete if inapplicable*

4. To assist you in the preparation of your quotation, we are enclosing the following :

- i Layout Drawings of the works;
- ii Structural Details;
- iii Detailed Bill of Quantities, with estimated rates and prices;
- iv Technical Specifications;
- v Instructions to Bidders (in two sections).
- vi Draft Contract Agreement format which will be used for finalizing the agreement for this Contract.

5. You are requested to provide your offer latest by hrs. on

6. Quotations will be opened in the presence of Bidders or their representatives who choose to attend at _____ AM/PM on _____ in the office of _____.

7. We look forward to receiving your quotations and thank you for your interest in this project.

(Employer)

Name: _____

Address: _____

Tel. No: _____

Fax No. _____

Instructions to Bidders

SECTION - A**1. Scope of Works**

The _____ (Employer) invites quotations for the construction of works as detailed in the table given below

Brief Description of the Works	Approximate value of Works (Rs.)	Period of Completion

The successful bidder will be expected to complete the works by the intended completion date specified above.

2. Qualification of the bidder : The bidder shall provide qualification information which shall include :-

- total monetary value of construction works performed for each year of the last 3 years :
- Income tax clearance certificate from the concerned IT circle;
- Report on his financial standing; and
- Details of any litigation, current or during the last 3 years in which the bidder is involved, the parties concerned and disputed amount in each case.

3. To qualify for award of the contract the bidder:-

- should have satisfactorily completed as a prime contractor at least one similar work of value not less than Rs. 500,000 in the last three years;
- should possess valid electrical license for executing building electrification works (in the event of the works being sub - contracted, the sub-contractor should have the necessary license);
- should possess required valid license for executing the water supply/sanitary works (in the event of the works being sub-contracted, the sub-contractor should have the necessary license);

4. Bid Price

- The contract shall be for the whole works as described in the Bill of quantities, drawings and technical specifications. Corrections, if any, shall be made by crossing out, initialing, dating and re writing.
- All duties, taxes and other levies payable by the contractor under the contract shall be included in the total price.
- The rates quoted by the bidder shall be fixed for the duration of the contract and shall not be subject to adjustment on any account.
- The rates should be quoted in Indian Rupees only.

5. Submission of Quotations

5.1 The bidder is advised to visit the site of works at his own expense and obtain all information that may be necessary for preparing the quotation.

5.2 Each bidder shall submit only one quotation.

5.3 The quotation submitted by the bidder shall comprise the following :-

- Quotation in the format given in Section B.
- Signed Bill of Quantities ; and
- Qualification information form given in Section B duly completed.

5.4 The bidder shall seal the quotation in an envelope addressed to the (Purchaser). The envelope will also bear the following identification :-

- Quotation for _____ (Name of the Contract)
- Do not open before _____ (time and date of quotation opening).

5.5 Quotations must be received in the office of the ----- (Employer) not later than the time and date given in the letter of invitation . If the specified date is declared a holiday, quotations shall be received upto the appointed time on the next working day.

5.6 Any quotation received by the, (Employer) after the deadline for submission of quotations will be rejected and returned unopened to the bidder.

6. Validity of Quotation

Quotation shall remain valid for a period not less than 45 days after the deadline date specified for submission.

7. Opening of Quotations

Quotations will be opened in the presence of bidders or their representatives who choose to attend on the date and time and at the place specified in the letter of invitation.

8. Information relating to evaluation of quotations and recommendations for the award of contract shall not be disclosed to bidders or any other persons not officially concerned with the process until the award to the successful bidder is announced.

9. Evaluation of Quotations

The Employer will evaluate and compare the quotations determined to be substantially responsive i.e. which

- (a) meet the qualification criteria specified in clause 3 above;
- (b) are properly signed ; and
- (c) conform to the terms and conditions, specifications and drawings without material deviations.

10. Award of contract

The Employer will award the contract to the bidder whose quotation has been determined to be substantially responsive and who has offered the lowest evaluated quotation price and who meets the specified qualification criteria.

10.1 Notwithstanding the above, the Employer reserves the right to accept or reject any quotations and to cancel the bidding process and reject all quotations at any time prior to the award of contract.

10.2 The bidder whose bid is accepted will be notified of the award of contract by the Employer prior to expiration of the quotation validity period.

11. Performance Security

Within 15 days of receiving letter of acceptance, the successful bidder shall deliver to the (Employer) the performance security (either a bank guarantee or a bank draft in favour of the Employer) for an amount equivalent of 3 % of the contract price. The Performance Security shall be valid till the expiry of the period of maintenance of the work, specified in clause 12.

12. Period of Maintenance :

The “Period of Maintenance” for the work is six months from the date of taking over possession or one full monsoon season whichever occurs later. During the period of maintenance, the contractor will be responsible for rectifying any defects in construction free of cost to the Employer.

13. Purchase of all construction materials including cement and steel as per the specifications (ISI certification marked goods wherever available) shall be the responsibility of the contractor.

SECTION - B

- 1. Format for Qualification Information.**
- 2. Format for Submission of Quotation.**
- 3. Format of Letter of Acceptance.**

FORMAT FOR QUALIFICATION INFORMATION

1 For Individual Bidders

1.1 Principal place of business: _____
 Power of attorney of signatory of Quotation. _____

[Attach copy]

1.2 Total value of Civil Engineering 200 _____
 construction work performed in the last 200 _____
 three years (in Rs. Lakhs) 200 _____

1.3 Work performed as prime contractor (in the same name) on works of a similar nature over the last three years.

Project Name	Name of Employer	Description of work	Contract No.	Value of contract (Rs.Lakhs)	Date of issue of work order	Stipulated period of completion	Actual date of completion	Remarks explaining reasons for delay and work completed

Existing commitments and on-going works:

Description of Work	Place & State	Contract No. & Date	Value of Contract (Rs. Lakh)	Stipulated period of completion	Value of works* remaining to be completed (Rs. Lakhs)	Anticipated date of completion
(1)	(2)	(3)	(4)	(5)	(6)	(7)

* Enclose a certificate from Engineer concerned

Proposed subcontracts and firms involved.

Sections of the works	Value of Sub-contract	Sub-contractor (name & address)	Experience in similar work

1.5 Evidence of access to financial resources to meet the requirements of working capital : cash in hand, lines of credit, etc. List them below and attach copies of support documents.

1.6 Name, address, and telephone, telex, and fax numbers of the Bidders' bankers who may provide references if contacted by the Employer.

1.7 Information on litigation history in which the Bidder is involved.

Other party (ies)	Employer	Cause of dispute	Amount involved	Remarks showing present status

FORMAT FOR QUOTATION

Description of the Works :

To:

Subject : Construction of

Reference: Letter No.....dated.....from.....

Sir,

We offer to execute the Works described in your letter referred to above in accordance with the Conditions of Contract enclosed therewith at percentage above / below the estimated rates, i.e., for a total Contract Price of -

Rs. ** _____ [in figures]

Rs. _____ [in words].

This quotation and your written acceptance of it shall constitute a binding contract between us. We understand that you are not bound to accept the lowest or any quotation you receive.

We hereby confirm that this quotation is valid for 45 days as required in Clause 6 of the Instructions to Bidders.

Yours faithfully,

Authorized Signature : _____ Date: _____

Name & Title of Signatory : _____

Name of Bidder : _____

Address : _____

* To be filled in by the Employer before issue of the Letter of Invitation.

** To be filled in by the Bidder, together with his particulars and date of submission at the bottom of this Form.

**FORMAT FOR LETTER OF ACCEPTANCE
CUM NOTICE TO PROCEED WITH THE WORK
(LETTERHEAD OF THE ATMA SOCIETY)**

No.

Dated

To : _____ [Name and address of the Contractor]

Dear Sirs,

This is to notify you that your Quotation dated _____ for execution of the _____ for the contract price of Rupees _____ [amount in words and figures], is hereby accepted by us.

You are hereby requested to furnish performance security for an amount of Rs. _____ (equivalent to 3% of the contract price) within 15 days of the receipt of the letter. The Performance Security in the form of Bank guarantee or a Bank draft in favour of(Employer) shall be valid till the expiry of the period of maintenance i.e. upto _____. Failure to furnish the Performance Security will entail cancellation of the award of contract.

You are also requested to sign the agreement form and proceed with the work not later than _____ under the instructions of the Engineer, _____ and ensure its completion within the contract period.

With the issuance of this acceptance letter and your furnishing the Performance Security, contract for the above said work stands concluded.

Yours faithfully,

**Authorized Signature
Name and title of Signatory**

**Draft Agreement form for
Construction through National Shopping
ARTICLES OF AGREEMENT**

This deed of agreement is made in the form of agreement on _____ day _____ month _____ 199 ____, between the _____ (Employer) or his authorized representative (hereinafter referred to as the first party) and _____ (Name of the Contractor), S/O _____ resident of _____ (hereinafter referred to as the second party), to execute the work of construction of _____ (hereinafter referred to as works) on the following terms and conditions.

2. Cost of the Contract

The total cost of the works (hereinafter referred to as the “total cost”) is Rs. ____ as reflected in Annexure - 1.

3.1 Payments under its contract:

Payments to the second party for the construction work will be released by the first party in the following manner :-

On signing of agreement	:	25% of total cost	<i>Change</i>
On reaching plinth level (first stage)	:	25% of the total cost	<i>these % as</i>
On reaching lintel level (second stage)	:	25% of the total cost	<i>applicable</i>
On reaching roof level (third stage)	:	15% of the total cost	<i>and suitable</i>
Plastering and completion of whole work (fourth stage)	:	10% of the total cost	

(The above has been drafted for construction of school buildings; modify this suitably for other works)

3.2 Payments at each stage will be made by the first party :

- (a) on the second party submitting an invoice for an equivalent amount ;
- (b) on certification of the invoice (except for the first installment) by the engineer nominated by the first party with respect to quality of works in the format in Annexure - 2; and
- (c) upon proper and justified utilization of at least 50 % of the previous installment and 100 % of any prior installment.

4. Notice by Contractor to Engineer

The second party, on the works reaching each stage of construction, issue a notice to the first party or the Engineer nominated by the first party (who is responsible for supervising the contractor, administering the contract, certifying the payments due to the contractor, issuing and valuing variations to the contract, awarding extensions of time etc.), to visit the site for certification of stage completion. Within 15 days of the receipt of such notice, the first party or the engineer nominated by it, will ensure issue of stage completion certificate after due verification.

5. Completion time

The works should be completed in _____ (months/weeks/days) from the date of this Agreement. In exceptional circumstances, the time period stated in this clause may be extended in writing by mutual consent of both the parties.

6. If any of the compensation events mentioned below would prevent the work being completed by the intended completion date, the first party will decide on the intended completion date being extended by a suitable period :

- a) The first party does not give access to the site or a part thereof by the agreed period.
- b) The first party orders a delay or does not issue completed drawings, specifications or instructions for execution of the work on time.
- c) Ground conditions are substantially more adverse than could reasonably have been assumed before issue of letter of acceptance and from information provided to second party or from visual inspection of the site.
- d) Payments due to the second party are delayed without reason.
- e) Certification for stage completion of the work is delayed unreasonably.

7. Any willful delay on the part of the second party in completing the construction within the stipulated period will render him liable to pay liquidated damages. @ Rs. * _____ per day which will be deducted from payments due to him. The first party may cancel the contract and take recourse to such other action as deemed appropriate once the total amount of liquidated damages exceeds 2 % of the contract amount.

(Note : The amount of liquidated damages per day should be determined at 0.05 % of the contract value of the works and indicated here).

8. Duties and responsibilities of the first party

- 8.1** The first party shall be responsible for providing regular and frequent supervision and guidance to the second party for carrying out the works as per specifications. This will include written guidelines and regular site visit of the authorized personnel of the first party, for checking quality of material and construction to ensure that it is as per the norms.
- 8.2** The first party shall supply 3 sets of drawings, specifications and guidelines to the second party for the proposed works.
- 8.3** Possession of the site will be handed over to the second party within 10 days of signing of the agreement.
- 8.4** The Engineer or such other person as may be authorized by the first party shall hold meeting once in a month where the second party or his representative at site will submit the latest information including progress report and difficulties if any, in the execution of the work. The whole team may jointly inspect the site on a particular day to take stock of activities.
- 8.5** The Engineer shall record his observations/instructions at the time of his site visit in a site register maintained by the second party. The second party will carry out the instructions and promptly rectify any deviations pointed out by the engineer. If the deviations are not rectified, within the time specified in the Engineer's notice, the first party as well as the engineer nominated by it, may instruct stoppage or suspension of the construction. It shall thereupon be open to the first party or the engineer to have the deviations rectified at the cost of the second party.

9. Duties and responsibilities of the second party

9.1 The second party shall :

- a) take up the works and arrange for its completion within the time period stipulated in clause 5;
- b) employ suitable skilled persons to carry out the works ;
- c) regularly supervise and monitor the progress of work ;
- d) abide by the technical suggestions / direction of supervisory personnel including engineers etc. regarding building construction ;
- e) be responsible for bringing any discrepancy to the notice of the representative of the first party and seek necessary clarification ;
- f) ensure that the work is carried out in accordance with specifications, drawings and within the total of the contract amount without any cost escalation ;
- g) keep the first party informed about the progress of work ;
- h) be responsible for all security and watch and ward arrangements at site till handing over of the building to the first party ; and
- i) maintain necessary insurance against loss of materials/cash, etc. or workman disability compensation claims of the personnel deployed on the works as well as third party claims.
- f) Pay all duties, taxes and other levies payable by construction agencies as per law under the contract (First party will effect deduction from running bills in respect of such taxes as may be imposed under the law).

10. Variations / Extra Items

The works shall be carried out by the second party in accordance with the approved drawings and specifications. However, if, on account of site conditions or any other factors, variations are considered necessary, the following procedure shall be followed:-

- a) The second party shall provide the Engineer with a quotation for carrying out the Variation when requested to do so by the Engineer. The Engineer shall assess the quotation, which shall be given within seven days of the request before the Variation is ordered.
- b) If the quotation given by the second party is unreasonable, the Engineer may order the Variation and make a change to the Contract Price which shall be based on Engineer's own forecast of the effects of the Variation on the Contractor's costs.
- c) The second party shall not be entitled to additional payment for costs which could have been avoided by giving early warning.

11. Securities

The Performance Security shall be provided to the Employer no later than the date specified in the Letter of Acceptance and shall be issued in an amount and form and by a bank or surety acceptable to the Employer. The Performance Security shall be valid until a date 28 days from the date of issue of the Certificate of Completion in the case of a Bank Guarantee.

12. Termination

12.1 The Employer may terminate the Contract if the other party causes a fundamental breach of the Contract.

12.2 Fundamental breaches of Contract include, but shall not be limited to the following:

- (a) the contractor stops work for 28 days and the stoppage has not been authorized by the Engineer;
 - (b) the Contractor has become bankrupt or goes into liquidation other than for a reconstruction or amalgamation;
 - (c) the Engineer gives Notice that failure to correct a particular Defect is a fundamental breach of Contract and the Contractor fails to correct it within a reasonable period of time determined by the Engineer;
 - (d) the Contractor does not maintain a security which is required;
- 12.3 Notwithstanding the above, the Employer may terminate the Contract for convenience.
- 12.4 If the Contract is terminated the Contractor shall stop work immediately, make the Site safe and secure and leave the Site as soon as reasonably possible.
- 13. Payment upon Termination**
- 13.1 If the Contract is terminated because of a fundamental breach of Contract by the Contractor, the Engineer shall issue a certificate for the value of the work done less advance payments received up to the date of the issue of the certificate, less other recoveries due in terms of the contract, less taxes due to be deducted at source as per applicable law.
- 13.2 If the Contract is terminated at the Employer’s convenience, the Engineer shall issue a certificate for the value of the work done, the reasonable cost of removal of Equipment, repatriation of the Contractor’s personnel employed solely on the Works, and the Contractor’s costs of protecting and securing the Works and less advance payments received up to the date of the certificate, less other recoveries due in terms of the contract and less taxes due to be deducted at source as per applicable law.
- 14. Dispute settlement**
- If over the works, any dispute arises between the two parties, relating to any aspects of this Agreement, the parties shall first attempt to settle the dispute through mutual and amicable consultation.
- In the event of agreement not being reached, the matter will be referred for arbitration by a Sole Arbitrator not below the level of retired Superintending Engineer, PWD to be appointed by the first party. The Arbitration will be conducted in accordance with the Arbitration and Conciliation Act, 1996. The decision of the Arbitrator shall be final and binding on both the parties.

Annexure I						
<u>BILL OF QUANTITIES</u>						
Sl. No.	Description of Work	Qty.	Unit	Estimated Cost		Amount
				In figure (Rs.)	In Words	

Gross Total Cost : Rs. _____

We agree to execute the works in accordance with the approved drawings and technical specifications at percentage above/below the estimated rates, i.e., for a total contract price of Rs.(amount in figures) (Rs. amount in words).

Signature of Contractor

Annexure - 2
Format of certificate

Certified that the works upto ----- level in respect of construction of ----- at ----- have been executed in accordance with the approved drawing and technical specifications.

Place :

Date :

Signature
(Official address)
Name & Designation
Office seal