

**JAIPUR VIDYUT VITRAN NIGAM LIMITED**

No. JPD/CAO/Rules/F.5/D. 2224

Jaipur, dated: 10.1.05

**ORDER**

Sub:- Amendment in the Purchase Manual – 1999.

The Board of Directors in its 74<sup>th</sup> meeting held on 27<sup>th</sup> December, 2004 has decided to make the following amendments in the Purchase Manual – 1999 namely,

In the said manual,

The existing clause No. 10.2 & 21.1 be substituted by the following-

10.2(i) The bidding, under open tendering, shall be in two parts, one for pre-qualification and second, for obtaining price bids. This could be done in two ways. One, only technical bids are obtained in the first instance and after firms are pre-qualified, on the basis of their technical strength, financial position, past experience etc, the financial bids (price bids) obtained in the second instance from the pre-qualified firms. Second, twin-envelope bidding is done, in which case offers may be obtained in two envelopes simultaneously, one containing technical information and the second containing financial/price bids. Only technical bids envelopes are opened and price bids of only those firms who are adjudged as qualified/suitable, opened later. Envelopes of other firms (not pre-qualified) are not to be opened. Which course is to be adopted, the two-stage bidding or twin-envelope bidding may be decided by the authority making the purchase/awarding the contract. The two-stage bidding may be preferred in situations where it is felt that technical bids are likely to have a number of technical, commercial deviations which may be sought to be removed to bring all tendering firms on equal footing. Some of the deviations may have bearing on the price.

10.2(ii) For pre-qualification of bidders, an evaluation criteria shall be determined in advance of opening of the bids. Such criteria shall

be approved by the authority competent to make purchase/award the work and be kept in sealed cover under the custody of a senior official. The technical bids shall be evaluated on the basis of such pre-determined evaluation criteria and qualified firms brought on common footing so far as observance of technical specifications/commercial terms are concerned. Deviations are required to be removed and got confirmed. The price bids of qualified bidders shall be opened in the presence of their representatives. If the quoted price of any or more firms is to be loaded for any gaps, the final comparative statement with such loading or otherwise shall be made known to the participating firms. In doing so, besides advantage of transparency, mistakes/misgivings, if any, as regards the basis of loading, can be removed at that stage.

10.2(iii) Two part bidding may not be necessary in case of purchase of bulk quantity of material where the ordered quantity is generally distributed between more than one firm. Sole dependence on the L-1 firm may not be in the interest of smooth working of a big organization. In such cases, the participating firms shall be required to match the price of the L-1 firm or the price as may be considered reasonable by the competent committee. If the competent authority feels that the L-1 firm or certain firm quoting lower prices are not reliable or are new or are deficient in some respects, their prices could be ignored. Distribution of quantities matching the L-1 price or the price as may be considered reasonable by the competent committee may be necessary also in cases in which SSI units of the State are required to be given preference for placement of orders upto certain part of the ordered quantity in pursuance of Government directives. There may be situations when reputed firms may decline to match the L-1 price or the price as may be considered reasonable by the competent committee and insist on higher price given by them. In such cases, it is sometimes in the larger interest of the organization to place order at differential rates. The approach has, therefore, to be flexible.

10.2(iv) The two part-bidding may be dispensed with even in case of project, purchases where the value of the order is small, say upto Rs. 2 crores in each case. There will, however, be no splitting of

the order/package so as to avoid the pre-qualification requirement.\*

- 21.1 After opening of the price bids the offer of L-1 firms is approved, unless the competent authority in its judgement feels that the price tendered by the L-1 firm is higher considering the price at which similar contract was awarded in the past, the prevailing prices at which similar contracts have been awarded by other organizations in recent past, analysis of cost etc. In that case, negotiations may be held with the L-1 firm and efforts made to seek such reduction in price as can be possibly secured. If the reduced/negotiated price is considered reasonable, contract for supply / work is awarded in favour of the L-1 firm. A re-tendering may, however, be inevitable if even the reduced price of L-1 firm is considered higher.

By order,

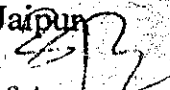


(A.K. Jain)

Chief Accounts Officer

Copy to the following for information and necessary action :-

1. The Chief Engineer ( ), JPD, Jaipur.
2. The F.A. & Controller of Accounts, JPD, Jaipur.
3. The Chief Personnel Officer, JPD, Jaipur
4. The Secretary, JPD, Jaipur
5. The Addl. Superintendent of Police (Vig.), JPD, Jaipur
6. The Dy. Chief Engineer ( ), JPD, Jaipur.
7. The Superintending Engineer ( ), JPD, \_\_\_\_\_
8. The Company Secretary, JPD, Jaipur.
9. The Sr. Accounts Officer ( ), JPD, \_\_\_\_\_
10. The Dy. Director Personnel, JPD, \_\_\_\_\_
11. The Executive Engineer ( ), JPD, \_\_\_\_\_
12. The Dy. Secretary (GAD), JPD, Jaipur
13. The Public Relation Officer, JPD, Jaipur.
14. The Accounts Officer/Asstt. Accounts Officer ( ), JPD, \_\_\_\_\_
15. The Asstt. Secretary/Estt. Officer ( ), JPD, Jaipur
16. P.A. to the Managing Director, Jaipur Discom, Jaipur



Chief Accounts Officer