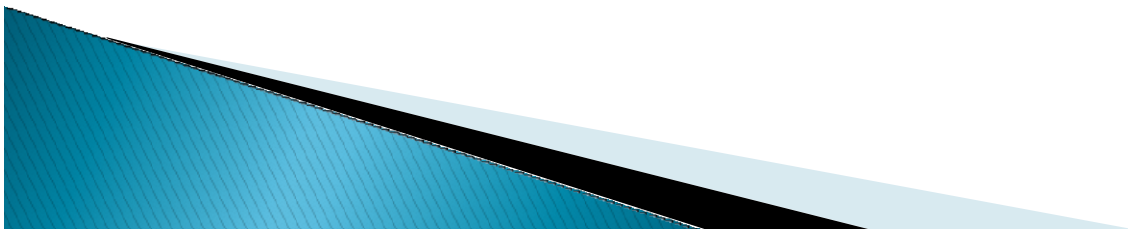



CONSTITUTION OF TENDER COMMITTEE

- Tender Committee should be generally constituted by the authority competent to accept the tenders when the tender value involves more than Rs. 25,000/-. When the G. M. is authority competent to accept the tender, the HOD concerned should
- The Tender Committee should consist of a minimum 3 members of whom one should be from the Accounts department and one from the concerned executive department. The third member should be from another department, which also deals with such contract matters.

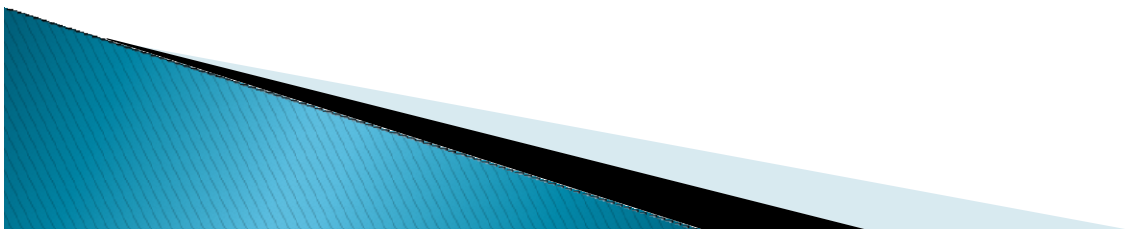


TENDER COMMITTEE


- On basis of value of tender following authorities are decided Tender inviting authority, Tender Opening Committee, Members of Tender Committee, Tender accepting authority, Contract Signing authority.
 - The tender Committee should be so constituted that an officer recommending acceptance of a tender in his capacity as a member of Tender Committee shall not be also the accepting authority of the same tender.
 - The proceedings of the Tender Committee will be put up by convenor member of tender Committee direct to the accepting authority.
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RESPONSIBILITY OF TENDER COMMITTEE

- Tender should be considered without delay
- Tenders should be finalised within the period of validity of offers.
- Clarification should not be sought in piecemeal from the tenderers. All the information necessary for consideration of offers should be called for at one time, leaving no occasion for seeking further extension of time.
- In all cases where the lowest or lower tenders are rejected, full reasons for the rejection should be recorded, so that reasons for such rejection would be available on files.



RESPONSIBILITY OF TENDER COMMITTEE

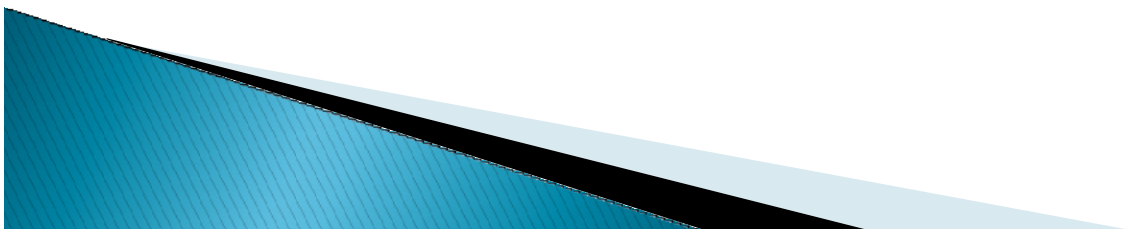
- ❑ In case of 'Open' tenders, if the lowest tenderer is not on approved contractor, he should be asked to produce evidence of his capacity of execution and financial position. If he fails to produce such credentials this fact should be kept place on record
 - ❑ The capacity, credentials and financial status of the tenderer should be investigated and only if these are found satisfactory the contract should be awarded .
 - ❑ In addition to the generally known responsibility of the Tender Committee, they have a special responsibility to scrutinise carefully the rates.
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NEGOTIATIONS

- Where all the tenders are considered to be unreasonably high in value and it is felt that re-tendering would not secure better advantage to the Railway and/or
- Where the lowest tender is technically not acceptable or is rejected because of unsatisfactory credentials, inadequacy of capacity or unworkable rates and next higher offer to be considered in accordance with the established procedure is found to be unreasonably high.
- **The decision whether to invite fresh tenders or to negotiation should be taken by the competent authority after obtaining the recommendations of the Tender Committee.**

NEGOTIATIONS

- After the competent authority has decided to call specific tenderer for negotiation, the following procedure should be adopted
- The lowest tenderer to be called in for negotiations should be addressed as laid down by Board, so that the rates originally quoted by them shall remain open for acceptance in the event of failure of negotiation .
- In case, however, the selected tenderer prefers to send a revised bid instead of being present at the negotiation, the offer should be taken into account.

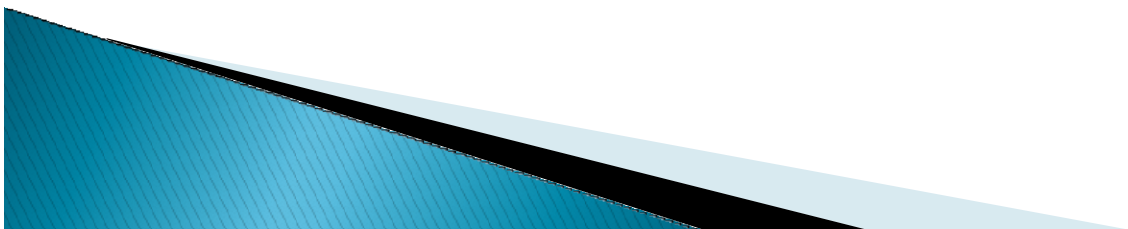


NEGOTIATIONS

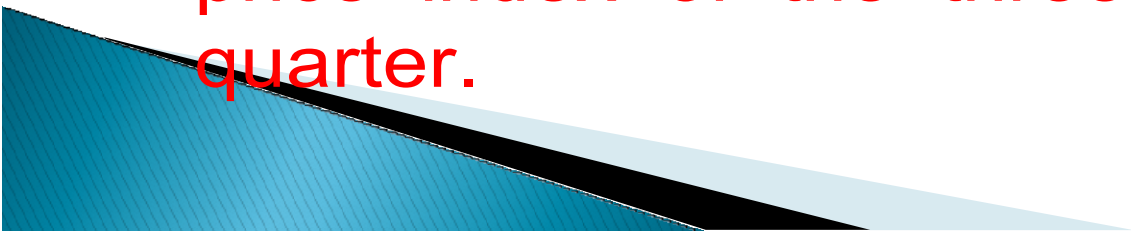
- While conducting negotiations with tenderer and obtaining revised rates and recommending the same for acceptance, the tender committee should ensure that the fundamental requirements of safeguarding Railway's financial interest have been fully observed.
- In no case, including where a ring is suspected, should negotiation be extended to those who had either not tendered originally or whose tender was rejected because of unsatisfactory credentials, inadequacy of capacity or unworkable rates or (in the case of other than stores tenders only) whose tender was not accompanied by requisite earnest money.

PRICE VARIATION CLAUSE

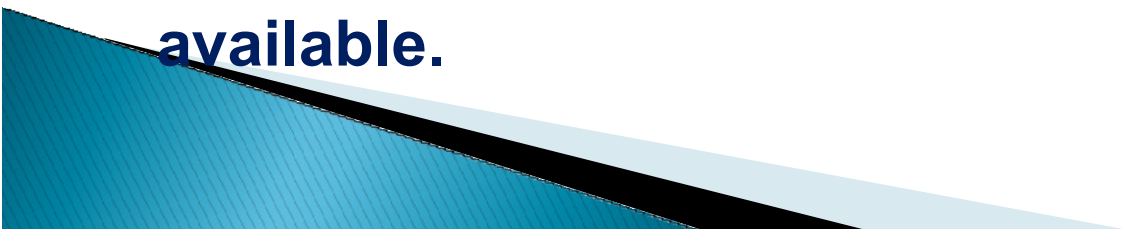
- Price variation clause will not apply if the price variation is up to 5%. Reimbursement/ recovery due to variation in prices shall continue to be made only for the amount in excess of 5% of the amount payable to the contractor, as hitherto (in other words price variation up to 5% is to be absorbed by the contractor). The escalation is to be worked out as per given formula taking into consideration the price index prevalent at the time of calculating the price variation.



PRICE VARIATION CLAUSE

- Price variation will be calculated once every quarter for the on account payments made in that quarter if more than one on account payment is made, calculation for payment towards price variation will be made in each
 - No maximum value for the price variation is to be prescribed.
 - Calculation of payment, on account of price variation should be based on the average price index of the three months of the quarter.
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PRICE VARIATION CLAUSE

- If the rates quoted in negotiated tender are accepted it is logical that the base month for price variation clause is the month in which negotiation are held. This may, however, is required to be clarified on the tender conditions or in negotiation.
 - The fixed cost of the contract value on which no price variation would be permissible may be kept at 15% of the value of the contract.
 - The demand for escalation of the cost may be allowed on the basis of provisional indices made available by Reserve Bank of India. Any adjustment needed to be done based on jointly published indices is to be made as and when they become available.
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DEALING WITH TC RECOMMENDATIONS:

The first step is to examine all the basic facts about the tender, whether the recommendations of TC is unanimous or otherwise. Even in case of unanimous recommendations, all the aspects about reasonableness of rate must be examined. Any deficiency noticed may be referred back to the same TC. 2.8.2. TAA cannot function as a rubber stamp and must apply his/her mind independently and such application should be visible. The acceptance or otherwise must be recorded on the body of TC proceedings itself. In case of non-unanimous recommendations, if TAA wants to accept either single or majority recommendation, he should record detailed reasons for doing so. 2.8.3. TC recommendations should normally be accepted but in case TAA rejects/modifies the same, clear cut detailed grounds and reasons should be given for the same. It is not correct to obtain additional details from a third person but if such details are