

संज्ञक : 'फूडकोर्प'
कॉर्पोरेशन : 'FOODCORP'
पंजीयन नं. : एचएफसीआई एनडी
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भारतीय
खाद्य
निगम



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F-19/32/1/MISC/2016-17

Dated: 23.05.2017

Circular No.01/2017

Subject: G.F.R. Guidelines for the Procurements/Purchase of Goods & Services- Reg.

Reference be made to Circular No.02/Fin/2015 Dated: 26.06.2016 related to G.F.R. Guideline. Ministry of Finance has issued GFR, 2017. विभिन्न खरीद प्रक्रिया एवं उनसे संबन्धित महत्त्वपूर्ण GFR Rule (आज के दिन) का संक्षिप्त विवरण इस प्रकार है:-

A. Procurement of goods: Relevant GFR Rule 142-166			
S.N.	खरीद प्रक्रिया	GFR Rule	Brief about GFR Rule
1.	Government e-Market place (GeM)	As per Rule 149 of GFR 2017	DGS&D or any other agency authorized by the Government will host an online Government e-Marketplace (GeM) for common use goods and Service. The Procurement of Goods and Services by Ministries or Departments will be mandatory for Goods or Services available on GeM. The GeM portal shall be utilized by the Government buyers for direct on-line purchased as under:- (i). Up to Rs. 50,000/- through any of the available suppliers on the GeM, meeting the requisite quality, specification and delivery period; (ii). Above Rs.50,000/- and up to Rs. 30,00,000/-through the GeM Seller having lowest price amongst the available sellers, of at least three different manufacturers, on GeM, meeting the requisite quality, specification and delivery period. The

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			<p>tools for online bidding and online reverse auction available on GeM can be used by the Buyer if decided by the Competent Authority.</p> <p>(iii). Above Rs. 30,00,000/- through the Supplier having lowest price meeting the requisite quality, specification and delivery period after mandatorily obtaining bids, using online bidding or reverse auction tool provided on GeM. The above mentioned monetary ceiling is applicable only for purchases made through GeM. For purchases, if any, outside GeM, relevant GFR Rules shall apply.</p>
2.	Reserved Items and other Purchase/Price Preference Policy	As per Rule 153 of GF Rule, 2017	<p>(i). Reserved all items of hand spun, hand-woven textiles (Khadi goods) and all items of handloom textiles for exclusive purchase from Khadi Village Industries Commission (KVIC).</p> <p>(ii). MSME notified procurement policy.</p> <p>(iii). Notifications issued/to be issued for preference to bidders on the grounds of promotion of locally manufactured goods or locally provided services.</p>
3.	Purchase of Goods without Quotation (except food grains)	As per Rule 154 of GF Rules, 2017	<p>(i). Applicable when purchase amount is up to Rs. 25,000.00 (Rs. Twenty five thousand) on each occasion.</p> <p>(ii). A certificate to be recorded by the competent authority that "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."</p>
4.	Purchase of Goods by Purchase Committee	As per Rule 155 of GF Rules, 2017	<p>(i). Applicable when purchase amount is more than Rs. 25,000 (Rs. Twenty Five Thousand) and up to Rs. 2,50,000 (Rs. Two Lakh Fifty Thousand) on each occasions.</p> <p>(ii). A certificate recorded by the committee that "Certified that we....., members of the purchase committee are jointly and</p>

			recommended for purchase are of the requisite specification and quality, priced at the prevailing market rate and the supplier recommended is reliable and competent to supply the goods in question.”
5.	Purchase of Goods directly under Rate Contract-	AS per Rule 156 (1) of GFR, 2017	(i). The prices to be paid for such goods shall not exceed those stipulated in the rate contract. (ii). Other salient terms and conditions of the purchase should be in line with those specified in the rate contract.
6.	E- Publishing	As per Rule 159 of GFR, 2017	It is mandatory for all Ministries/Departments of the Central Government, their attached and subordinate offices and autonomous/statutory bodies to publish their tender enquiries, corrigenda thereon and details of bid awards on the Central Public Procurement Portal (CPPP).
7.	E- Procurement	As per Rule 160 of GFR,2017	It is mandatory for Ministry/ Department to receive all bids through e-procurement portals in respect of all procurements.
8.	Limited Tender Enquiry	As per rule 162 of GF Rules, 2017	Applicable when purchase value of goods is up to Rs. 25 lakh (Rupees Twenty Five Lakh)
9.	Advertised Tender Enquiry	As per rule 161 of GF Rules, 2017	Applicable when purchase value of goods is Rs. 25 lakh (Rupees Twenty Five Lakh) and above.
10.	Single Tender Enquiry	As per Rule 166 of GF Rules, 2017	(i). Is applicable for procurement of proprietary article. (ii). A certificate to be recorded by the procuring officer stating that: a) The indented goods are manufactured by M/s..... b) No other make or model is acceptable for the following reasons: c) Concurrence of finance wing to the proposal vide:

			d) Approval of the competent authority vide: (signature with date and designation of the Procuring Officer)
11.	Electronic Reverse Action	As per Rule 167 of GF Rules, 2017	Online real-time purchasing technique to select successful bid.

B. Procurement of Services: Relevant GPR Rule 183-196

S.N.	खरीद प्रक्रिया	GFR Rule	Brief about GFR Rule
1.	Identification of likely sources and short listing of consultant	a) As per Rule 183, 184 of GFR, 2017 b) As per Rule 183 of GFR, 2017 c) As per Rule 184 of GFR, 2017	(i). Applicable when the estimated cost of the work or service is up to Rs. 25 Lakh (Rupees Twenty Five Lakh). (ii). Preparation of a long list of potential consultants may be done on the basis of formal or informal enquiries from other ministries or departments or organizations involved in similar activities. (i). Applicable when the estimated cost of the work or service is above Rs. 25 lakh (Rs. Twenty Five Lakh), in addition to (i) above. (ii). An enquiry for seeking expression of interest “from consultants should be published on Central Public Procurement Portal (CPPP) at www.eprocure.gov.in On the basis of responses received from the interested parties as per rule 183 consultants meeting the requirement should be short listed for further considerations. The number of short listed consultants should not be less than three.
2.	Consultancy by nomination	As per Rule 194 of GFR, 2017	Under some special circumstances it may become necessary to select a particular consultant where adequate justification is available for such single source selection in the context of the overall interest of the department.

C. Outsourcing of Services: Relevant GFR Rule 199-206			
1.	Identification of likely contractors	As per Rule 199 of GFR, 2017	The Dept. should prepare a list of likely and potential contractors on the basis of formal or informal enquires from other Ministries/Departments/Organizations involved in similar activities, scrutiny of "Yellow Pages" and trade journals, in available, website etc.
2.	Invitation of Bids	As per rule 201 of GFR, 2017	(i). For estimated value of the nonconsulting service up to Rupees ten lakhs or less: the department should scrutinize the preliminary list of likely contractors as identified as per rule 199 of GFR Book. (ii). For estimated value of the nonconsulting service above Rs. 10 Lakhs: the department should issue advertise tender enquiry asking for the offers by a specified date and time, etc. in at least one popular largely circulated national newspaper and website of the department.
3.	Procurement of Non-consulting services by nomination	As per Rule 204 of GFR, 2017	Should it become necessary, in an exceptional situation to outsource a job to a specifically chosen contractor, the competent authority in the Department may do so in consultation with the Financial Advisor.
Note:	<p>1. Wherever committee is to be constituted, it should be constituted by Administrative Head (having DOP on the subject) of the Unit. There should be minimum three members of appropriate level in the committee which should include one member from Finance and one member from operating division dealing with the subject matter. At FCI Headquarters committee can be constituted by DGM (HQ) for Headquarters Unit or by ED for their respective divisions.</p> <p>2. Rules regarding outsourcing of services and hiring of external professionals should be read along with circular no. EP-25-2006-19 dated 23.08.2006.</p>		

In case of security and engineering works related service contracts, the security divisions and engineering division's special guidelines should be abided respectively.

In addition to above, guidelines of E- tendering issued by FCI Headquarters may be followed.

उपरोक्त वर्णित जनरल फाइनेंस रूल्स को स्वामी पब्लिकेशनस की बुक्स General Financial Rules में विस्तृत रूप से (Detailed) में पढ़ा जा सकता है।

सभी फील्ड कार्यालयों से आग्रह है की उपरोक्त वर्णित रूल्स का सख्ती से पूरी तरह अनुपालन किया जाना सुनिश्चित करें। जब जब इन रूल्स का संशोधन हो, संशोधित रूल्स का अनुपालन करें।

Encl.: GFR Relevant Rules Pages (as on date).

अक्षय विशाल

(अक्षय विशाल)

महाप्रबंधक (वित्त)

वितरण:-

1. All EDs (Zones)/GMs (Regions), FCI;
2. The GM (F&A)/DGM (F&A), ZO/ RO, FCI;
3. All Area Manager, FCI, DO;
4. The Director (IFS), Gurgaon;
5. All EDs, FCI, HQ, New Delhi;
6. PS to CMD;
7. AGM (Bills), FCI, HQ, New Delhi;
8. The GM (FAP), FCI, HQ, New Delhi;
9. The DGM (IT), FCI, HQ.....for uploading on FCI Website.

- (ii) the specifications in terms of quality, type etc., as also quantity of goods to be procured, should be clearly spelt out keeping in view the specific needs of the procuring organizations. The specifications so worked out should meet the basic needs of the organization without including superfluous and non-essential features, which may result in unwarranted expenditure.
- (iii) Where applicable, the technical specifications shall, to the extent practicable, be based on the national technical regulations or recognized national standards or building codes, wherever such standards exist, and in their absence, be based on the relevant international standards. In case of Government of India funded projects abroad, the technical specifications may be framed based on requirements and standards of the host beneficiary Government, where such standards exist.
- Provided that a procuring entity may, for reasons to be recorded in writing, adopt any other technical specification.
- (iv) Care should also be taken to avoid purchasing quantities in excess of requirement to avoid inventory carrying costs;
- (v) offers should be invited following a fair, transparent and reasonable procedure;
- (vi) the procuring authority should be satisfied that the selected offer adequately meets the requirement in all respects;
- (vii) the procuring authority should satisfy itself that the price of the selected offer is reasonable and consistent with the quality required;
- (viii) at each stage of procurement, the concerned procuring authority must place on record in precise terms, the considerations which weighed with it while taking the procurement decision.
- (ix) a complete schedule of procurement cycle from date of issuing the tender to date of issuing the contract should be published when the tender is issued.
- (x) All Ministries/Departments shall prepare Annual Procurement Plan before the commencement of the year and the same should also be placed on their website.

Rule 145. Authorities competent to purchase goods.—An authority which is competent to incur expenditure may sanction the purchase of goods required for use in public service in accordance with provisions in the Delegation of Financial Powers Rules, following the general procedure contained in the following rules.

Rule 146. Procurement of goods required on mobilization.—Procurement of goods required on mobilization and / or during the continuance of Military operations shall be regulated by special rules and orders issued by the Government on this behalf from time to time.

Rule 147. Powers for procurement of goods.—The Ministries or Departments have been delegated full powers to make their own arrangements

for procurement of goods. In case however, a Ministry or Department does not have the required expertise, it may project its indent to the Central Purchase Organization (e.g. DGSS&D) with the approval of competent authority. The indent form to be utilised for this purpose will be as per the standard form evolved by the Central Purchase Organization.

Rule 148. Rate Contract.—DGSS&D shall conclude rate contracts with the registered suppliers for such goods, which are not available on GeM, and are identified as common use items and are needed on recurring basis by various Central Government Ministries or Departments. DGSS&D will furnish and update all the relevant details of the rate contracts on its website. The Ministries or Departments shall follow those rate contracts to the maximum extent possible.

Rule 149. Government e-Market place (GeM).—DGSS&D or any other agency authorized by the Government will host an online Government e-Marketplace (GeM) for common use Goods and Services. DGSS&D will ensure adequate publicity including periodic advertisement of the items to be procured through GeM for the prospective suppliers. The Procurement of Goods and Services by Ministries or Departments will be mandatory for Goods or Services available on GeM. The credentials of suppliers on GeM shall be certified by DGSS&D. The procuring authorities will certify the reasonability of rates. The GeM portal shall be utilized by the Government buyers for direct on-line purchases as under—

- (i) Up to ₹ 50,000 through any of the available suppliers on the GeM, meeting the requisite quality, specification and delivery period;
- (ii) Above ₹ 50,000 and up to ₹ 30,00,000 through the GeM Seller having lowest price amongst the available sellers, of at least three different manufacturers, on GeM, meeting the requisite quality, specification and delivery period. The tools for online bidding and online reverse auction available on GeM can be used by the Buyer if decided by the Competent Authority.
- (iii) Above ₹ 30,00,000 through the supplier having lowest price meeting the requisite quality, specification and delivery period after mandatorily obtaining bids, using online bidding or reverse auction tool provided on GeM.
- (iv) The invitation for the online e-bidding/reverse auction will be available to all the existing Sellers or other Sellers registered on the portal and who have offered their goods/services under the particular product/service category, as per terms and conditions of GeM.
- (v) The above mentioned monetary ceiling is applicable only for purchases made through GeM. For purchases, if any, outside GeM, relevant GFR Rules shall apply.
- (vi) The Ministries/Departments shall work out their procurement requirements of Goods and Services on either "OFEX" model or

"CAPEX" model as per their requirement/suitability at the time of preparation of Budget Estimates (BE) and shall project their Annual Procurement Plan of goods and services on GeM portal within 30 days of Budget approval.

(vii) The Government Buyers may ascertain the reasonableness of prices before placement of order using the Business Analytics (BA) tools available on GeM including the Last Purchase Price on GeM, Department's own Last Purchase Price, etc.

(viii) A demand for goods shall not be divided into small quantities to make piecemeal purchases to avoid procurement through L-1 Bidding / bidding / reverse auction on GeM or the necessity of obtaining the sanction of higher authorities required with reference to the estimated value of the total demand.

Rule 150. Registration of Suppliers.— (i) With a view to establishing reliable sources for procurement of goods commonly required for Government use, the Central Purchase Organization (e.g. DGS&D) will prepare and maintain item-wise lists of eligible and capable suppliers. Such approved suppliers will be known as "Registered Suppliers". All Ministries or Departments may utilize these lists as and when necessary. Such registered suppliers may utilize eligible for consideration for procurement of goods through Limited Tender Enquiry. They are also ordinarily exempted from furnishing bid security along with their bids. A Head of Department may also register suppliers of goods which are specifically required by that Department or Office, periodically. Registration of the supplier should be done following a fair, transparent and reasonable procedure and after giving due publicity.

(ii) Credentials, manufacturing capability, quality control systems, past performance, after-sales service, financial background, etc., of the supplier(s) should be carefully verified before registration.

(iii) The supplier(s) will be registered for a fixed period (between 1 to 3 years) depending on the nature of the goods. At the end of this period, the registered supplier(s) willing to continue with registration are to apply afresh for renewal of registration. New supplier(s) may also be considered for registration at any time, provided they fulfil all the required conditions.

(iv) Performance and conduct of every registered supplier is to be watched by the concerned Ministry or Department. The registered supplier(s) are liable to be removed from the list of approved suppliers if they fail to abide by the terms and conditions of the registration or fail to supply the goods on time or supply substandard goods or make any false declaration to any Government agency or for any ground which, in the opinion of the Government, is not in public interest.

(v) The list of registered suppliers for the subject matter of procurement be exhibited on the Central Public Procurement Portal and websites of the Procuring Entity / e-Procurement / portals.

Rule 151. Debarment from bidding.—

(i) A bidder shall be debarred if he has been convicted of an offence—

- (a) under the Prevention of Corruption Act, 1988; or
- (b) the Indian Penal Code or any other law for the time being in force, for causing any loss of life or property or causing a threat to public health as part of execution of a public procurement contract.

(ii) A bidder debarred under sub-section (1) or any successor of the bidder shall not be eligible to participate in a procurement process of any procuring entity for a period not exceeding three years commencing from the date of debarment. Department of Commerce (DGS&D) will maintain such list which will also be displayed on the website of DGS&D as well as Central Public Procurement Portal.

(iii) A procuring entity may debar a bidder or any of its successors, from participating in any procurement process undertaken by it, for a period not exceeding two years, if it determines that the bidder has breached the code of integrity. The Ministry/Department will maintain such list which will also be displayed on their website.

(iv) The bidder shall not be debarred unless such bidder has been given a reasonable opportunity to represent against such debarment.

Rule 152. Enlistment of Indian Agents.— As per the Compulsory Enlistment Scheme of the Department of Expenditure, Ministry of Finance, it is compulsory for Indian agents, who desire to quote directly on behalf of their foreign principals, to get themselves enlisted with the Central Purchase Organization (eg. DGS&D). However, such enlistment is not equivalent to registration of suppliers as mentioned under Rule 150.

Rule 153. Reserved Items and other Purchase / Price Preference Policy.—

(i) The Central Government, through administrative instructions, has reserved all items of hand spun and hand-woven textiles (Khadi goods) for exclusive purchase from Khadi Village Industries Commission (KVIC). It has also reserved all items of handloom textiles required by Central Government departments for exclusive purchase from KVIC and/or the notified handloom units of Association of Corporations and Apex Societies of Handlooms (ACASH).

(ii) Ministry of Micro, Small and Medium Enterprises (MSME) have notified procurement policy under Section 11 of the Micro, Small and Medium Enterprises Development Act, 2006.

(iii) The Central Government may, by notification, provide for mandatory procurement of any goods or services from any category of bidders,

or provide for preference to bidders on the grounds of promotion of locally manufactured goods or locally provided services.

✓ **Rule 154. Purchase of goods without quotation.**—Purchase of goods up to the value of ₹ 25,000 (Rupees Twenty-five 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."

✓ **Rule 155. Purchase of goods by purchase committee.**—Purchase of goods costing above ₹ 25,000 (Rupees Twenty-five Thousand only) and up to ₹ 2,50,000 (Rupees two lakhs and fifty thousand only) on each occasion may be made on the recommendations of a duly constituted Local Purchase Committee consisting of three members of an appropriate level as decided by the Head of the Department. The committee will survey the market to ascertain the reasonableness of rate, quality and specifications and identify the appropriate supplier. Before recommending placement of the purchase order, the members of the committee will jointly record a certificate as under—

"Certified that we, members of the purchase committee are jointly and individually satisfied that the goods recommended for purchase are of the requisite specification and quality, priced at the prevailing market rate and the supplier recommended is reliable and competent to supply the goods in question."

✓ **Rule 156. (1) Purchase of goods directly under Rate Contract.**— In case a Ministry or Department directly procures Central Purchase Organization (e.g. DGS&D) rate contracted goods from suppliers, 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 Ministry or Department shall make its own arrangement for inspection and testing of such goods where required.

Rule 156. (2) The Central Purchase Organization (e.g. DGS&D) should host the specifications, prices and other salient details of different rate contracted items, appropriately updated, on the web site for use by the procuring Ministry or Department.

Rule 157. A demand for goods should not be divided into small quantities to make piecemeal purchases to avoid the necessity of obtaining the sanction of higher authority required with reference to the estimated value of the total demand.

Rule 158. Purchase of goods by obtaining bids.—Except in cases covered under Rules 154, 155, and 156 (1), Ministries or Departments shall procure

goods under the powers referred to in Rule 140 above by following the standard method of obtaining bids in :—

- (i) Advertised Tender Enquiry;
- (ii) Limited Tender Enquiry;
- (iii) Two-Stage Bidding
- (iv) Single Tender Enquiry.
- (v) Electronic Reverse Auctions

Rule 159. E-Publishing.—(i) It is mandatory for all Ministries / Departments of the Central Government, their attached and subordinate offices and autonomous / statutory bodies to publish their tender enquiries, corrigenda thereon and details of bid awards on the Central Public Procurement Portal (CPPP).

(ii) Individual cases where confidentiality is required, for reasons of national security, would be exempted from the mandatory e-publishing requirement. The decisions to exempt any case on the said grounds should be approved by the Secretary of the Ministry / Department with the concurrence of the concerned Financial Advisor. In the case of autonomous bodies and Statutory bodies, approval of the head of the body with the concurrence of the head of the finance should be obtained in each such case. Statistical information on the number of cases in which exemption was granted and the value of the concerned contract should be intimated on a Quarterly basis to the Ministry of Finance, Department of Expenditure.

(iii) The above instructions apply to all Tender Enquiries, Requests for Proposals, Requests for Expressions of Interest, Notice for pre-Qualification/ Registration or any other notice inviting bids or proposals in any form, whether they are advertised, issued to limited number of parties or to a single party.

(iv) In the case of procurements made through DGS&D Rate Contracts or through any other Central Procurement Organizations (CPOs), only award details need to be published.

(v) These instructions would not apply to procurements made in terms of provisions of Rules 154 (Purchase of goods without quotations) or 155 (Purchase of goods by purchase committee) of General Financial Rules.

Rule 160. E-Procurement.—(i) It is mandatory for Ministries / Departments to receive all bids through e-procurement portals in respect of all procurements.

(ii) Ministries / Departments which do not have a large volume of procurement or carry out procurements required only for day-to-day running of offices and also have not initiated e-procurement through any other solution provided so far may use e-procurement solution developed by NIC. Other Ministries / Departments may either use e-procurement solution developed by NIC or engage any other service provider following due process.

(iii) These instructions will not apply to procurements made by Ministries / Departments through DGS&D rate contracts.

(iv) In individual case where national security and strategic considerations demands confidentiality, Ministries / Departments may exempt such cases from e-procurement after seeking approval of concerned Secretary and with concurrence of Financial Advisers.

(v) In case of tenders floated by Indian Missions Abroad, Competent Authority to decide the tender, may exempt such case from e-procurement

Rule 161. Advertised Tender Enquiry.— (i) Subject to exceptions incorporated under Rules 154, 155, 162 and 166, invitation to tenders by advertisement should be used for procurement of goods of estimated value of ₹ 25 lakhs (Rupees Twenty Five Lakh) and above. Advertisement in such cases should be given on Central Public Procurement Portal (CPPP) at www.eprocure.gov.in and on GeM. An organization having its own website should also publish all its advertised tender enquiries on the website.

(ii) The organization should also post the complete bidding document in its website and on CPPP to enable prospective bidders to make use of the document by downloading from the web site.

(iii) The advertisements for invitation of tenders should give the complete web address from where the bidding documents can be downloaded.

(iv) In order to promote wider participation and ease of bidding, no cost of tender document may be charged for the tender documents downloaded by the bidders.

(v) Where the Ministry or 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 Ministry or 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. In such cases e-procurement as per Rule 160 may not be insisted.

(vi) Ordinarily, the minimum time to be allowed for submission of bids should be three weeks from the date of publication of the tender notice or availability of the bidding document for sale, whichever is later. Where the department also contemplates obtaining bids from abroad, the minimum period should be kept as four weeks for both domestic and foreign bidders.

Rule 162. Limited Tender Enquiry.— (i) This method may be adopted when estimated value of the goods to be procured is up to Rupees Twenty-five Lakhs. 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 in question as referred under Rule 150 above. The number

of supplier firms in Limited Tender Enquiry should be more than three. Efforts should be made to identify a higher number of approved suppliers to obtain more responsive bids on competitive basis.

Further, an organization should publish its limited tender enquiries on Central Public Procurement Portal (CPPP) as per Rule 159. Apart from CPPP, the organizations should publish the tender enquiries on the Department's or Ministry's website.

(ii) The unsolicited bids should not be accepted. However Ministries / Departments should evolve a system by which interested firms can register and bid in next round of tendering.

(iii) Purchase through Limited Tender Enquiry may be adopted even where the estimated value of the procurement is more than Rupees Twenty-five Lakhs, in the following circumstances:—

(a) The competent authority in the Ministry or Department certifies that the demand is urgent and any additional expenditure involved by not procuring through advertised tender enquiry is justified in view of urgency. The Ministry or 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 public interest to procure the goods through advertised tender enquiry.

(c) The sources of supply are definitely known and possibility of fresh source(s) beyond those being tapped is remote.

(iv) Sufficient time should be allowed for submission of bids in Limited Tender Enquiry cases.

Rule 163. Two bid system (simultaneous receipt of separate technical and financial bids).— For purchasing high value plant, machinery etc. of a complex and technical nature, bids may be obtained in two parts as under:—

(i) Technical bid consisting of all technical details along with commercial terms and conditions; and

(ii) Financial bid indicating item-wise price for the items mentioned in the technical bid.

The technical bid and the financial bid should be sealed by the bidder in separate covers duly superscribed and both these sealed covers are to be put in a bigger cover which should also be sealed and duly superscribed. The technical bids are to be opened by the purchasing Ministry or Department at the first instance and evaluated by a competent committee or authority. At the second stage, financial bids of only these technically acceptable offers should

be opened after intimating them the date and time of opening the financial bid for further evaluation and ranking before awarding the contract.

Rule 164. Two-Stage Bidding (Obtain bids in two stages with receipt of financial bids after receipt and evaluation of technical bids).

(i) Ministry / Department may procure the subject matter of procurement by the method of two-stage bidding, if—

- (a) it is not feasible to formulate detailed specifications or identify specific characteristics for the subject matter of procurement, without receiving inputs regarding its technical aspects from bidders; or
- (b) the character of the subject matter of procurement is subject to rapid technological advances or market fluctuations or both; or
- (c) Ministry / Department seeks to enter into a contract for the purpose of research, experiment, study or development, except where the contract includes the production of items in quantities sufficient to establish their commercial viability or to recover research and development costs; or
- (d) The bidder is expected to carry out a detailed survey or investigation and undertake a comprehensive assessment of risks, costs and obligations associated with the particular procurement.

(ii) The procedure for two stage bidding shall include the following, namely:—

- (a) in the first stage of the bidding process, the Ministry / Department shall invite bids through advertised tender containing the technical aspects and contractual terms and conditions of the proposed procurement without a bid price;
- (b) all first stage bids, which are otherwise eligible, shall be evaluated through an appropriate committee constituted by the Ministry / Department;
- (c) the committee may hold discussions with the bidders and if any such discussion is held, equal opportunity shall be given to all bidders to participate in the discussions;
- (d) in revising the relevant terms and conditions of the procurement, the procuring entity shall not modify the fundamental nature of the procurement itself, but may add, amend or omit any specification of the subject matter of procurement or criterion for evaluation;
- (e) in the second stage of the bidding process, the procuring entity shall invite bids from all those bidders whose bids at the first stage were not rejected, to present final bid with bid prices in response to a revised set of terms and conditions of the procurement;

(f) any bidder, invited to bid but not in a position to supply the subject matter of procurement due to modification in the specifications or terms and conditions, may withdraw from the bidding proceedings without forfeiting any bid security that he may have been required to provide or being penalized in any way, by declaring his intention to withdraw from the procurement proceedings with adequate justification.

Rule 165. Late Bids.— In the case of advertised tender enquiry or limited tender enquiry, late bids (i.e. bids received after the specified date and time for receipt of bids) should not be considered.

Rule 166. Single Tender Enquiry.— Procurement from a single source may be resorted to in the following circumstances :

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

NOTE.— Proprietary Article Certificate in the following form is to be provided by the Ministry / Department before procuring the goods from a single source under the provision of sub-Rule 166 (i) and 166 (iii) as applicable.

- (i) The indented goods are manufactured by M/s.
- (ii) No other make or model is acceptable for the following reasons :
.....
- (iii) Concurrence of finance wing to the proposal vide:
- (iv) Approval of the competent authority vide:

(Signature with date and designation
of the indenting officer)

Rule 167. Electronic Reverse Auction.— (i) Electronic Reverse Auction means an online real-time purchasing technique utilised by the procuring entity to select the successful bid, which involves presentation by bidders of successively more favourable bids during a scheduled period of time and automatic evaluation of bids;

- (ii) A procuring entity may choose to procure a subject matter of procurement by the electronic reverse auction method, if—
- (a) It is feasible for the procuring entity to formulate a detailed description of the subject matter of the procurement;

consultants, Advisory and project related Consulting Services which include, feasibility studies, project management, engineering services, finance, accounting and taxation services, training and development, etc.

Rule 178. The Ministries or Departments may hire external professionals, consultancy firms or consultants (referred to as consultant hereinafter) for a specific job, which is well defined in terms of content and time-frame for its completion.

Rule 179. This chapter contains the fundamental principles applicable to all Ministries or Departments regarding engagement of consultant(s). Detailed instructions to this effect may be issued by the concerned Ministries or Departments. However, the Ministries or Departments shall ensure that they do not contravene the basic rules contained in this chapter.

Rule 180. Identification of Services required to be performed by Consultants.— Engagement of Consultants may be resorted to in situations requiring high quality services for which the concerned Ministry / Department does not have requisite expertise. Approval of the competent authority should be obtained before engaging consultant(s).

Rule 181. Preparation of scope of the required Consultant(s).— The Ministries / Departments should prepare in simple and concise language the requirement, objectives and the scope of the assignment. The eligibility and prequalification criteria to be met by the consultants should also be clearly identified at this stage.

Rule 182. Estimating reasonable expenditure.— Ministry or Department proposing to engage consultant(s) should estimate reasonable expenditure for the same by ascertaining the prevalent market conditions and consulting other organizations engaged in similar activities.

Rule 183. Identification of likely sources.— (i) Where the estimated cost of the consulting service is up to Rupees twenty-five lakhs, preparation of a long list of potential consultants may be done on the basis of formal or informal enquiries from other Ministries or Departments or Organizations involved in similar activities, Chambers of Commerce and Industry, Association of consultancy firms, etc.

(ii) Where the estimated cost of the consulting services is above Rupees twenty-five lakhs, in addition to (i) above, an enquiry for seeking 'Expression of Interest' from consultants should be published on Central Public Procurement Portal (CPPP) at www.eprocure.gov.in and on GeM. An organization having its own website should also publish all its advertised tender enquiries on the website. Enquiry for seeking Expression of Interest should include in brief, the broad scope of work or service, inputs to be provided by the Ministry or Department, eligibility and the pre-qualification-criteria to be met by the consultant(s) and consultant's past experience in similar work or service. The consultants may also be asked to send their comments on the objectives and scope of the work

or service projected in the enquiry. Adequate time should be allowed for getting responses from interested consultants.

Rule 184. Short-listing of consultants.— On the basis of response received from the interested parties as per Rule 183 above, consultants meeting the requirements should be short-listed for further consideration. The number of short-listed consultants should not be less than three.

Rule 185. Preparation of Terms of Reference (TOR).— The TOR should include —

- (i) Precise statement of objectives;
- (ii) Outline of the tasks to be carried out;
- (iii) Schedule for completion of tasks;
- (iv) The support or inputs to be provided by the Ministry or Department to facilitate the consultancy;
- (v) The final outputs that will be required of the Consultant.

Rule 186. Preparation and Issue of Request for Proposal (RFP).— RFP is the document to be used by the Ministry / Department for obtaining offers from the consultants for the required service. The RFP should be issued to the short-listed consultants to seek their technical and financial proposals. The RFP should contain —

- (i) A letter of Invitation
- (ii) Information to Consultants regarding the procedure for submission of proposal.
- (iii) Terms of Reference (TOR).
- (iv) Eligibility and pre-qualification criteria in case the same has not been ascertained through Enquiry for Expression of Interest.
- (v) List of Key position whose CV and experience would be evaluated.
- (vi) Bid evaluation criteria and selection procedure.
- (vii) Standard formats for technical and financial proposal.
- (viii) Proposed contract terms.
- (ix) Procedure proposed to be followed for mid-term review of the progress of the work and review of the final draft report.

Rule 187. Receipt and opening of proposals.— Proposals should ordinarily be asked for from consultants in 'Two bid' system with technical and financial bids sealed separately. The bidder should put these two sealed envelopes in a bigger envelop duly sealed and submit the same to the Ministry or Department by the specified date and time at the specified place. On receipt, the technical proposals should be opened first by the Ministry or Department at the specified date, time and place.

Rule 188. Late Bids.—Late bids i.e. bids received after the specified date and time of receipt should not be considered.

Rule 189. Evaluation of Technical Bids.—Technical bids should be analysed and evaluated by a Consultancy Evaluation Committee (CEC) constituted by the Ministry or Department. The CEC shall record in detail the reasons for acceptance or rejection of the technical proposals analyzed and evaluated by it.

Rule 190. Evaluation of Financial Bids of the technically qualified bidders.—The Ministry or Department shall open the financial bids of only those bidders who have been declared technically qualified by the Consultancy Evaluation Committee as per Rule 189 above for further analysis or evaluation and ranking and selecting the successful bidder for placement of the consultancy contract.

Rule 191. Methods of Selection/Evaluation of Consultancy Proposals.—The basis of selection of the consultant shall follow any of the methods given in Rule 192 to 194 as appropriate for the circumstances in each case.

Rule 192. Quality and Cost Based Selection (QCBS).—QCBS may be used for Procurement of consultancy services, where quality of consultancy is of prime concern.

(i) In QCBS, initially the quality of technical proposals is scored as per criteria announced in the RFP. Only those responsive proposals that have achieved at least minimum specified qualifying score in quality of technical proposal are considered further.

(ii) After opening and scoring, the financial proposals of responsive technically qualified bidders, a final combined score is arrived at by giving pre-defined relative weights for the score of quality of the technical proposal and the score of financial proposal.

(iii) The RFP shall specify the minimum qualifying score for the quality of technical proposal and also the relative weights to be given to the quality and cost (determined for each case depending on the relative importance of quality vis-a-vis cost aspects in the assignment, e.g. 70:30, 60:40, 50:50, etc). The proposal with the highest weighted combined score (quality and cost) shall be selected.

(iv) The weightage of the technical parameters i.e. non-financial parameters in no case should exceed 80 per cent.

Rule 193. Least Cost System (LCS).—LCS is appropriate for assignments of a standard or routine nature (such as audits and engineering design of non-complex works) where well established methodologies, practices and standards exist. Unlike QCBS, there is no weightage for Technical score in the final evaluation and the responsive technically qualified proposal with the lowest evaluated cost shall be selected.

Rule 194. Single Source Selection / Consultancy by nomination.—The selection by direct negotiation / nomination, on the lines of Single Tender mode of procurement of goods, is considered appropriate only under exceptional circumstance such as:

(i) tasks that represent a natural continuation of previous work carried out by the firm;

(ii) in case of an emergency situation, situations arising after natural disasters, situations where timely completion of the assignment is of utmost importance; and

(iii) situations where execution of the assignment may involve use of proprietary techniques or only one consultant has requisite expertise.

(iv) Under some special circumstances, it may become necessary to select a particular consultant where adequate justification is available for such single-source selection in the context of the overall interest of the Ministry or Department. Full justification for single source selection should be recorded in the file and approval of the competent authority obtained before resorting to such single-source selection.

(v) It shall ensure fairness and equity, and shall have a procedure in place to ensure that the prices are reasonable and consistent with market rates for tasks of a similar nature; and the required consultancy services are not split into smaller sized procurement.

Rule 195. Monitoring the Contract.—The Ministry / Department should be involved throughout in the conduct of consultancy, preferably by taking a task force approach and continuously monitoring the performance of the consultant(s) so that the output of the consultancy is in line with the Ministry / Department's objectives.

Rule 196. Public competition for Design of symbols / logos.—Design competition should be conducted in a transparent, fair and objective manner. Wide publicity should be given to the competition so as to ensure that the information is accessible to all possible participants in the competition. This should include publication on the website of Ministry / Department concerned, as also the Central Public Procurement Portal. If the selection has been by a jury of experts nominated for the purpose, the composition of the jury may also be notified.

B. OUTSOURCING OF SERVICES

Rule 197. "Non-Consulting Service" means any subject matter of procurement (which as distinguished from 'Consultancy Services'), involve physical measurable deliverables / outcomes, where performance standards can be clearly identified and consistently applied, other than goods or works, except those incidental or consequential to the service, and includes maintenance, hiring of vehicle, outsourcing of building facilities management, security, photocopier service,

janitor, office errand services, drilling, aerial photography, satellite imagery, mapping, etc.

Rule 198. Procurement of Non-consulting Services.— A Ministry or Department may procure certain non-consulting services in the interest of economy and efficiency and it may prescribe detailed instructions and procedures for this purpose without, however, contravening the following basic guidelines.

Rule 199. Identification of likely contractors.— The Ministry or Department should prepare a list of likely and potential contractors on the basis of formal or informal enquiries from other Ministries or Departments and Organizations involved in similar activities; scrutiny of 'Yellow pages', and trade journals, if available, web site, etc.

Rule 200. Preparation of Tender enquiry.— Ministry or Department should prepare a tender enquiry containing, *inter alia* :

- (i) The details of the work or service to be performed by the contractor;
- (ii) The facilities and the inputs which will be provided to the contractor by the Ministry or Department;
- (iii) Eligibility and qualification criteria to be met by the contractor for performing the required work / service; and
- (iv) The statutory and contractual obligations to be complied with by the contractor.

Rule 201. Invitation of Bids.— (i) For estimated value of the nonconsulting service up to Rupees ten lakhs or less: The Ministry or Department should scrutinise the preliminary list of likely contractors as identified as per Rule 199 above, decide the prima facie Eligible and capable contractors and issue limited tender enquiry to them asking for their offers by a specified date and time, etc. as per standard practice. The number of the contractors so identified for issuing limited tender enquiry should be more than three.

(ii) For estimated value of the nonconsulting service above ₹ 10 lakhs: The Ministry or Department should issue advertisement in such case should be given on Central Public Procurement Portal (CPPP) at www.epprocure.gov.in and on GeM. An organization having its own website should also publish all its advertised tender enquiries on the website. The advertisements for invitation of tenders should give the complete web address from where the bidding documents can be downloaded.

Rule 202. Late Bids.— Late bids i.e. bids received after the specified date and time of receipt should not be considered.

Rule 203. Evaluation of Bids Received.— The Ministry or Department should evaluate, segregate, rank the responsive bids and select the successful bidder for placement of the contract.

Rule 204. Procurement of Non-consulting services by nomination.— Should it become necessary, in an exceptional situation to procure a non-consulting service from a specifically chosen contractor, the Competent Authority in the Ministry or Department may do so in consultation with the Financial Adviser. In such cases the detailed justification, the circumstances leading to such procurement by choice and the special interest or purpose it shall serve, shall form an integral part of the proposal.

Rule 205. Monitoring the Contract.— The Ministry or Department should be involved throughout in the conduct of the contract and continuously monitor the performance of the contractor.

Rule 206.— Any circumstances which are not covered in Rule 198 to Rule 205 for procurement of non-consulting services, the procuring entity may refer Rule 135 to Rule 176 pertaining to procurement of goods and not to the procurement of consulting services.