

STANDARD OPERATING PROCEDURE (SOP)

FOR

GIC Re ITMG PROCUREMENT GUIDELINES

2015

(to be read in conjunction with GIC Re Procurement Guidelines 2010)

Version 1.0

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Standard Operating Procedure (SOP) for ITMG

This SOP is Part of and to be read in conjunction with GIC Re Procurement Guidelines 2010

This process shall apply to all types of procurements by ITMG in GIC Re. Procurements shall be done keeping in mind requirements of the Corporate office as also the representative/other offices in India who do not have independent infrastructure for doing this job themselves. The basic principle behind all the processes given is to display utmost transparency and fairness.

1.0 Definitions

1.1. Procurements: would include Execution of Works, Procurement and/or disposal of IT Hardware, Software, Networking/Connectivity Equipment, Security Devices, IT Furniture/fixtures, Power Equipment and other Utility, Site Preparation, Consumables and Miscellaneous IT related items, Procurement of Services of Professionals, Consultancy firms or consultants, Technical Services, Maintenance Contracts, IT Enabled Services, Outsourcing of Services. As far as possible, only articles manufactured/assembled in India and /or services offered/ marketed by vendors based in India should be procured. Direct overseas purchase would need clearance from CMD.

1.2. Tender Value: To arrive at the value of the tender in contracts, the total estimated outgo for the total proposed period of the contract is to be taken. E.g. If contract is for 2 years, then the total estimated value of outgo for two years would be taken for this purpose. As the estimated rate is a vital element in establishing the reasonableness of prices, it is important that the same be worked out in a realistic and objective manner on the basis of prevailing market rates, last purchase prices, economic indices for the raw material/ labour and other input costs.

1.3. Bidders: this term shall include all contractors, architects, vendors, suppliers, resellers, manufacturers, companies, consultancies, agencies, system integrators, service providers etc. who participate in the tender process.

1.4. Procurement Committees: shall mean the Committees duly constituted in the manner prescribed hereunder to discharge the functions under this Process. The senior most member of the Committee will be termed as "Chairperson" and the others will be "Members":

There may be the following committees-

- i) High Level Committee (HLC)
- ii) Technical Sub-Committee (TSC)
- iii) ITMG Purchase Committee

The High Level Committee shall be constituted by CMD and the quorum for the HLC meeting shall comprise of at least two GMs and one DGM, ITMG. The Technical Sub Committee and the ITMG Purchase committee shall be constituted by the General Manager (ITMG) and Deputy General Manager (ITMG) respectively. The quorum for the TSC and the ITMG Purchase committee meeting shall be any three members. Recusal of interested party is must as per CVC's circular. Any member having any such interest or connection should voluntarily recuse himself/herself from serving on the Committee for that particular tender. The competent authority to permit such recusal shall be the authority that appoints the committee.

1.5. Rate Contract: is an annual contract for supply of items generally requiring frequent/repeated procurement such as Computer Consumables, Peripherals, etc. or items having standard technical specifications such as Desktop Computers, Printers etc. by following the DGS&D maintained rate contracts to the extent possible or by creating a panel of suppliers with the approved rates. The list of suppliers in the panel created by other PSUs such as Life Insurance Corporation of India and GIPSA companies shall be relied upon in exigencies.

No quantities are to be mentioned in the contract and the bidder is bound to accept any order for the specified item at the rate specified within the contract period.

1.6. E-procurement: is procurement using the medium of internet and other electronic networks and e-tendering means floating of tenders through electronic media, i.e. inviting tenders, processing and finalizing, through Internet/e-mails.

2.0 Limits of Authority

2.1. The powers of the various officers with regard to procurement shall be as per the Financial Standing Orders of GIC Re as amended from time to time, subject to relevant budgets for the year.

3.0 Procurement Methods:

GIC Re Procurement Guidelines 2010 provides different methods of procurement based on value of the items being procured. The revised amounts and the operating procedure for each method is as follows:

3.1. **Purchase without quotation:** Procurement upto the value of Rs. 50,000/- (Rupees Fifty Thousand) only on each occasion may be made without inviting quotations or bids. A certificate by the competent authority as per the Financial Standing Order shall be recorded in the required format as per the guidelines.

3.2. **Purchase by the ITMG Purchase Committee:** Procurement above Rs. 50,000/- (Rupees Fifty Thousand) and upto Rs. 1,00,000/- (Rupees One Lakh) only on each occasion may be made on the recommendations of a duly constituted ITMG Purchase Committee. A certificate by the Committee shall be recorded in the required format as per the guidelines.

3.3. **Purchase under rate contract:** For procurement where rate contract is available, the department may procure the goods directly from the vendors listed in the rate contract.

3.4. **Purchase of goods/services, etc. by obtaining bids:** Procurement by obtaining bids will be as per GIC Re Procurement Guidelines 2010.

3.4.1. **Limited Tender:** As per "GIC Re Procurement Guidelines 2010" Limited Tenders shall be invited only from among the firms/ vendors/ consultants in the approved panel for IT Goods/Services to be procured up to Rupees Twenty Five Lakhs and for Outsourcing of Services up to Rupees Ten Lakhs. The empanelment will be separate for each such category of procurement, viz. supply of Hardware, Software, Networking Equipment, etc. As per "GIC Re Procurement Guidelines 2010" the list of potential firms/ vendors/ consultants to be empanelled may include names received on the basis of formal or informal enquiries from other companies or organisations involved in similar activities, Chambers of Commerce & Industry, Association of consultancy firms, etc.

Such panels would be valid for a period not exceeding three years. Vendors who have met the Pre-Qualification criteria in an Open Tender exercise for a similar category of procurement carried out by GIC Re during the three years preceding the current procurement exercise may be automatically added to the panel of approved firms/ vendors/ consultants. Each such addition will be valid for period not exceeding three years thereafter from the date of their shortlisting in the Pre-Qualification round of the Open Tender exercise. The number of supplier firms / vendors to whom the Limited Tender Enquiry should be sent should be minimum three. If less than two responses are received in the Limited Tender Enquiry then the Limited Tender Enquiry will be cancelled and the process started again. New vendors/providers may come in the market and existing ones may fade out/exit. The process may be initiated well before the end of the three years so that sufficient time is available for the process to be properly carried out.

An advertisement shall be placed in national newspapers having good local circulation (one English and one Hindi as also in one local language newspaper) and on the web site of GIC Re, calling for applications for empanelment (hereinafter referred to as AFE) with GIC Re. On receipt of such applications, the GM (ITMG) shall direct the Technical Sub-Committee to examine the applications and also inspect the premises, workshop, shop etc. of the applicants if deemed necessary. After examination of the applications, the Committee shall recommend to the GM (ITMG) for the empanelment of firms/ vendors/ consultants who are found suitable.

In limited tender method, Technical bids and Price bids are to be called for in a Single-stage-two-envelop Bidding method directly from the empanelled vendors only. Web based publicity should be given for limited tenders also by uploading the Limited Tender Enquiry on the Corporate Website.

The panel shall normally be valid for 3 financial years, including the year in which they were empanelled. It would be advisable to initiate the empanelment process before the third

financial year ends. The GM (ITMG) can extend the terms of the panel by a maximum of one year after the 3-year term, after recording the reasons for doing so.

Blacklisting/Removal of the empanelled firms/ vendors/ consultants from the panel: A firm empanelled can be blacklisted/removed during the validity period of the panel by the GM (ITMG) with the recommendation of the High Level Committee. Blacklisting can be either temporary (i.e. for specified period) or permanent, depending upon the circumstances under which the firm has been blacklisted/removed. Temporary blacklisting/removal can be confined to a specific job. Details of the firms permanently blacklisted/removed shall be circulated to all departments.

3.4.2. Nomination /Single Tender Enquiry: Procurement by Nomination/Single Tender Enquiry will be as per GIC Re Procurement Guidelines 2010 based on the circumstances listed therein. A Proprietary Article certificate by the Department shall be recorded in the required format as per the guidelines. When the CMD is satisfied that no other firm is in a position to quote, (e.g. for strictly proprietary articles or there is an emergent need to procure from a particular source or any such technical reason to be recorded in writing) he/she may allow procurement through nomination or single tender. Single response to an open tender shall not be termed as Single Tender. If even after at least two attempts to obtain tenders, only one bid response comes, procurement through that single tender may be allowed by taking approval of the competent authority as per the Financial Standing Order.

A relevant extract from the recent Supreme Court of India judgment in the case [SLP (civil) No. 10174 of 2006] is reproduced below to reinforce this point. [CVC Office Order No.23/7/07 dt. 5th July 2007]

"The law is well-settled that contracts by the State, its corporations, instrumentalities and agencies must be normally granted through public auction/ public tender by inviting tenders from eligible persons and the notifications of the public auction or inviting tenders should be advertised in well-known dailies having wide circulation in the locality with all relevant details such as date, time and place of auction subject matter of auction, technical specifications, estimated cost, earnest money deposit, etc. The award of Government contracts through public-auction/ public tender is to ensure transparency in the public procurement, to maximize economy and efficiency in Government procurement, to promote healthy competition among the tenderers, and to provide for fair and equitable treatment of all tenderers, and to eliminate irregularities, interference and corrupt practices by the authorities concerned. This is required by Article 14 of the Constitution. However, in rare and exceptional cases, for instance, during natural calamities and emergencies declared by the Government, where the procurement is possible from a single source only: where the supplier or contractor has exclusive rights in respect of the goods or services and no reasonable alternative or substitute exists; where the auction was held on several dates but there were no bidders or the bids offered were too low, etc., this normal rule may be departed from and such contracts may be awarded through 'private negotiations'."

3.4.3. Open Tender (Advertised Tender Enquiry): As per "GIC Re Procurement Guidelines 2010" Open Tenders shall be invited for IT Goods/Services to be procured above Rupees Twenty Five Lakhs. As per "GIC Re Procurement Guidelines 2010" Tender Notice is to be placed in one English and one Hindi as also in one local language newspaper having wide

circulation. Tender notice and all tender documents may be published on GIC Re website simultaneously. E Tendering, where feasible, may be done. Response from at least two bidders should be received in an Open Tender, else it will be deemed as Single Response. In case of Single response, the tender enquiry will be cancelled and re-floated after making necessary changes in the tender document aimed at attracting more bidders. If even after at least two attempts to obtain tenders, only one bid response is received, then the procurement through Nomination may be resorted to as stated above.

4.0 General Principles to be observed for the Tender/ AFE

4.1. Administrative approval of the Competent Authority as per the Financial Standing Order should be obtained before commencement of the Procurement Process.

4.2. The Tender/ AFE Document must be carefully prepared and legally vetted before being published. It should be approved by the Competent Authority **as per the Financial Standing Order**. This will contain the following:

1. Detailed description/specifications of the items to be procured or details of the work involved.
2. The quantity to be purchased.
3. Formats for submission of various details.
4. Terms and conditions regarding price, price escalation clauses, delivery, payment terms, penalty clauses, conditions regarding non acceptance of proposals, validity of tender, etc.

4.3. There shall be conformity among nomenclature of items, specifications, drawings, general and special conditions. The technical specifications/configuration of the items or Service Specifications should be drawn up after consultation with the IT Consultant of the Corporation if one has been engaged.

4.4. In case of Procurement by way of obtaining bids, the Tender Document should contain three aspects:

1. Pre-qualification: The specific objective criteria to be fulfilled by bidders should be decided by the High Level Committee.
2. Technical Bid: This should contain technical specifications/configuration of the goods or services to be procured.
3. Commercial Bid: Under the commercial bid, the bidder will quote the rate or price for the goods or services to be procured. To ensure uniformity in comparison of price bids by the bidders, the price to be quoted by all the bidders should be the base price without any taxes, duties, levies, etc. which can be offered to be paid at actuals.

4.5. Bidders will be required to submit Technical bids (including the Pre-Qualification criteria where applicable) and the Price bids in a Single-stage-two-envelope Bidding method.

Two-Stage Bidding process may be adopted in cases where the procurement of goods, works or services exceeds Rs. 100 crore. In the first stage, the Request for Qualifications (RFQ) or Expression of Interest (EoI) should be issued for prequalification and shortlisting of prospective bidders. In the second stage, the tender document or the Request for Proposals (RFP) may be issued to only the pre-qualified bidders for inviting Commercial Bid based on a single bidding parameter.

Advisory/consulting services require a different treatment since they involve procurement of intellectual services which are not amenable to physical standards and specifications. Therefore, the cost-cum-quality method of selection needs to be adopted for this purpose.

(Refer: -MoFs Circular F.No 10/38/2013/VIG dated 28th March 2014 on "Procurement Guidelines")

4.6. Conditions that are not feasible to be operated shall not be stipulated.

4.7. Performance guarantee clause as well as Penalties shall be stipulated to eliminate non-serious bidders.

4.8. The company may decide to hold a briefing or pre-bid session before publishing the tender/request for all those who are interested,

- i) to bring clarity regarding spirit of various provisions &
- ii) to acquire a better understanding of prevailing market conditions, better options, technology or laws/rules etc.

The date, time and venue for such a meeting may be mentioned in the tender document. The pre-bid meeting shall be held at least 10 days before closing date of the bid.

4.9. It is very important to clarify all tender specification/ requirements while publishing or issuing tenders calling for Tenders/AFE so that there is clear, unambiguous understanding of all terms, conditions, specifications and requirements. The department may do its groundwork/research thoroughly before launching into this exercise, to avoid embarrassments and delays later.

4.10. The technical and documentary requirements may not be changed or deviated from once the Tender/ AFE has been called for. If at all any changes or modifications or clarification are necessary due to changes in laws or in the company's requirements or necessitated out of pre-bid session/bidder queries, such changes may be put on the website and if deemed necessary also by way of a corrigendum duly published in the same newspapers as the original advertisement. In such a case, the same amount of time (at least) as allowed in the original advertisement (normally not less than 4-6 weeks), may be allowed from the date of publishing the changes.

Such changes/modifications/clarifications published shall become part of the Tender/AFE document.

4.11. Time lines for each stage of the process to be clearly spelt out in the tender document.

4.12. Inviting tenders

4.12.1. Adequate & wide publicity shall be ensured by placing notice inviting tender through one English and one Hindi as also in one local language newspaper having wide circulation for greater transparency. In addition to the existing rules and practices regarding publicity through newspapers, trade journals, the CVC vide their circular no. 98/ORD/1 dt.18.12.2003 has instructed for up loading the Notice Inviting Tender and also tender documents in a downloadable form on the website. The website publicity is to be given even in the case of limited tenders (CVC circular dated 8.6.2004). GM (ITMG) may additionally decide whether notices may be published in the Indian Trade Journal, Kolkata, also. Copies of such notices may be mailed to existing / likely vendors.

4.12.2. Notice Inviting Tender (NIT) or for Application for Empanelment (AFE) should contain all the relevant information in an explicit and categorical manner like estimated value, EMD, tender sale and tender opening dates as applicable. It is important that sufficient time depending upon the magnitude and complexity of the project should be given to the bidders to submit their bids/applications to generate fair and adequate competition.

4.12.3. The tender sale (where applicable) should preferably be kept open till the date of tender opening or just one day prior to the date of tender opening.

4.12.4. A minimum of 3 weeks for limited tender enquiry and 4-6 weeks for open tender enquiry may be given for the submission of tender/applications (revised from the two weeks stated in the GIC Re Procurement Guidelines 2010).

4.12.5. The complete address of the place for tender/application submission shall be notified in the advertisement and on the website.

4.12.6. In case of both Technical and Price bids being called for together, the tender document should clearly mention that each i.e. technical and price should be in separate closed envelopes, suitably superscribed 'Technical Bid' and 'Commercial Bid' respectively, which then may be enclosed in a single larger envelope also suitably superscribed with the wordings: "Tender for /Application for Empanelment for...".

5.0 Earnest Money Deposit (EMD)

5.1. Where the contracted amount is equal to or in excess of Rs.5 lacs, every tender would have to be accompanied by an Earnest Money Deposit, to ensure that non-serious tenderers do not participate in the tendering process. The amount of EMD shall be approximately equal to 2 to 5% of the valuation of the tender. The EMD will be payable by Demand Draft/Bankers Cheque/Purchase Order/Bank Transfer or NEFT. In exceptional cases, GM concerned may waive the requirement of obtaining EMD for reasons to be recorded in writing. The EMD will not carry any interest.

5.2. The primary objective of submission of EMD is to establish the earnestness of the bidder so that he does not withdraw, impair or modify the offer within the validity of the bid. It also helps in restricting if not eliminating 'speculative', 'frivolous', or 'wait and see' bids. Since any relaxation regarding submission of EMD has financial implications besides giving

encouragement to the bidders to submit frivolous bids as indicated above, the terms and conditions should clearly stipulate that the offers without EMD would be considered as unresponsive and rejected.

6.0 Tender Forms

6.1. The tender document and the tender form in which a technical bid/AFE should be submitted shall be prescribed by the GM (ITMG)/DGM (ITMG)/AGM (ITMG), having regard to the nature of the procurement.

7.0 Rejection of tender/bid without any reasons

7.1. The acceptance/rejection of any bid or cancellation of the tender should not be arbitrary but on justified grounds as per laid down specifications as the bidders spent lot of time and energy initially in preparing the bid besides financial costs. While the NIT/Notice for AFE may have a clause that the tender applications could be rejected without assigning any reason, this does not mean that the tender accepting authority is free to take decision in an arbitrary manner. The authority is bound to record clear, logical reason for any such action of rejection/recall of tender or notice for AFE on the file.

(Refer: -CVC Office Order No. 15/3/05 dated 24th March 2005 on “Notice inviting tenders-regarding”).

8.0 Technical Qualification (TQ)

8.1. Keep the TQ criteria neither too stringent nor too lax.

8.2. Prepare the TQ criteria specific to the requirement of the work in clear terms.

8.3. Specify the performance parameters and the technical evaluation criterion, if any, in unequivocal terms in the bidding document.

8.4. Clearly mention important clauses pertaining to earnest money deposit, completion schedule, testing of equipments, performance bank guarantee, payment terms, penalty for delayed completion, comprehensive insurance cover, contractor’s liability, safety arrangements, statutory requirements for labour welfare, arbitration clause etc. in a proper and explicit manner.

8.5. Evaluate the bids exactly as per the notified criteria.

8.6. Retender if relaxation in TQ criteria is necessary.

9.0 Postponement of Tender Opening:

9.1. It is essential that tenders are finalized and contracts are awarded in a time bound manner within original validity of the tender, without seeking further extension of validity.

9.2. Cases requiring extension of validity should be rare. And in the exceptional situations where the validity period is sought to be extended, it should be imperative to bring on record in real time, valid and logical grounds, justifying extension of the said validity.

9.3. In order to give equal opportunity to all the bidders and to maintain sanctity of tendering system, it is of paramount importance that any change (if necessary) in the tender terms & conditions, specifications and tender opening date etc. be notified to all the bidders, sufficiently in advance of the revised opening date. Any such change in Dates/Timings etc. to be notified through the publication of corrigendum in the media and web site. (Refer 4.1.5 above)

(Refer: -CVC Circular No 31/11/08 dated 6th November 2008 on "Time bound processing of procurement")

10.0 Tender Receiving (for other than e-Procurement)

10.1. All tenders/AFEs shall be submitted in sealed envelopes/covers only.

10.2. Suitable arrangements for receipt of sealed tenders at the scheduled date, time and location through conspicuously located tender boxes may be made.

10.3. The tender box or boxes should be locked (keys to be with authorized person only) and have sufficient space and wide enough opening to accept the expected papers

10.4. As soon as a tender/AFE is received, a proper Tender Received Register will be maintained by the concerned department either in manual form or electronically.

11.0 Safe Custody of Tenders and opening of Tenders

11.1. The tenders shall be kept in safe custody in closed condition in a Tender box by the authorised Officer till they are opened as set out hereinafter.

11.2. Tenders shall be opened on the same day / next working day, following the stipulated last date for receipt of tenders in front of bidders and the relevant Procurement Committee by department officials who shall be authorized in this behalf by the Chairperson of the Procurement Committee at such time and place as may be prescribed by the Procurement Committee.

11.3. The Officers who are authorized to open the Tenders/AFEs should see that the envelopes after opening are pinned to the bid/application itself. As soon as the tender is opened, it should be stamped with the official stamp and date. The Officers so authorized to open the tenders/AFEs should arrange to number each tender/AFE serially in their presence and initial each tender indicating the time and date of the opening. Each page of the schedule attached to the tender, forwarding letter or any other enclosure should also be initialed by the relevant Procurement Committee. All tenders/AFEs received should be

serially entered in a Tender Opening Register with all relevant details under signature of the authorized officers. The authorized officers shall, on the spot, prepare a statement containing full particulars of all the tenders including late receipts. Late tenders shall not be considered. Price Bids should not be opened at this stage. But the sealed envelopes containing the Price Bids should also be stamped with the official stamp and date and initialed by the Procurement Committee to confirm that they were received and remain in sealed condition.

11.4. The option shall be given to the tenderers/applicants for empanelment (one representative each) to remain present during technical bid/AFE opening session. The indication to the effect shall be given along with the date and time of opening of the technical bids/AFEs in the letter / advertisement for invitation of the tenders. The signature of the representative of the tenderer shall be obtained in the tender opening register.

11.5. In case on opening a tender it is observed that there are alterations made therein like correction in figures, overwriting, etc. such alterations, if any, should be initialed legibly by the Officers authorized to open the tender/AFE by Chairperson of the Procurement Committee. The total number of alterations shall be recorded on the relevant pages and be initialed by the Officers authorized to open the tenders/AFEs. No amendment to a tender/AFE should be permitted on any account after the opening of the tender has commenced.

11.6. All Technical Bids/AFEs shall be opened in the first instance. All Financial Bids (received simultaneously under a two bid tender) shall be kept together in a large envelope and sealed. The department shall place before the Technical Sub Committee details of the analysis of the Technical Bid.

11.7. The Technical Sub-committee shall evaluate the technical bids/AFEs strictly as per the notified criterion and shall place its finding along with recommendations to the competent authority as per the Financial Standing Order. In case of AFEs, once the authority has approved the panel, it becomes valid and empanelment letters may be issued to the concerned vendors/agencies/entities.

11.8. The High Level Committee or the authorized officers shall open the Financial Bids in respect of only such Technical Bids (under two-bid system) which have been approved/accepted by the authority. However, all price bids received from empanelled bidders (under limited tender) shall be opened. The schedule containing prices should be initialed separately, close to the typed, printed or handwritten matter. All the Financial bids should also be entered in the Tender Opening Register with signature. The officers as the case may be shall prepare an analysis of the bids received with all relevant details.

12.0 Acceptance of Tenders

12.1. On receipt of the Financial Bids and analysis, the Procurement committee shall verify that all have been duly entered in the register and all papers are duly signed etc.

12.2. In deciding upon the tender to be accepted, the Committee shall bear in mind that the lowest tender (L1) should be accepted. If, in any case, the Committee desires to

recommend acceptance of a tender other than the lowest for any reason, it shall record its recommendations setting out the reasons thereof and submit it to the GM/DGM/AGM concerned for approval. In determining the Financial Bid, the Procurement Committee shall consider not only the price quoted for sale but should also consider the amount of Annual Maintenance Charges, wherever applicable. This evaluation may be objective and based strictly on the criterion/conditions laid down in the Tender.

12.3. The committee should establish the reasonableness of rates on the basis of estimated rates and the prevailing market rates before accepting the offer. Abnormally high or low rates offered should be identified and assessed with due caution.

12.4. If, in any particular case, the GM/DGM/AGM is unable to accept the recommendations of the Procurement Committee, he/she shall record the reason thereof in writing and give his/her decision which shall be final.

12.5. Such files may not be kept pending for decision by the approving authority after the recommendation of the tender committee has been received.

13.0 Post Tender Negotiations

13.1. There should normally be no post tender negotiations. If at all negotiations are warranted under exceptional circumstances, then it can be done by a committee to be appointed by the GM concerned, with L1 only, with appropriate recording of the reasons for the same and duly approved by GM concerned as per guidelines of CVC in this regard. Similarly in case of disposal of unwanted items, the post tender negotiations are not be held except with highest tender (H1) under exceptional circumstances, by following the similar procedure mentioned above.

14.0 Meetings of the Procurement Committee:

14.1. No business shall be transacted at a meeting of the Committee at which at least three members are not present (see 1.4 above). The proceedings of the Committee shall be recorded in a separate register to be maintained for the purpose. The pages of the register shall be numbered. The proceedings shall be duly recorded and pasted on successive pages of the register. If any page is left blank, it shall be crossed and initialed by the Chairperson of the Committee. Each page of the proceedings shall be initialed by all the members of the Procurement Committee present at the meeting and signed in full at the end.

14.2. The authority empowered to constitute the committee may review the working of the committee and if necessary, reconstitute the committee on the occurrence of the following events –

- a) Promotion/ Transfer/ Resignation/ Retirement/ Death of one or more members of the committee.
- b) One or more of the committee members becoming insolvent or against whom disciplinary action is initiated.

15.0 Repeat Orders

15.1. Repeat orders may be placed against a previous order within its validity period (as prescribed while inviting tenders), provided the officers empowered to place such orders satisfy themselves that there has been no downward trend in prices since the placing of the original order and that the total amount of the order (i.e. original order plus the repeat order) is within the limit of authority of the officer concerned. Such Repeat orders are not to be deemed as Single Tender Enquiry or requiring Proprietary Article Certificate.

15.2. Renewal of End User Licenses (EULA) directly from a Software Licensor or Annual Technical/Maintenance Support (ATS/AMS) for ensuring continuity of upgrades/updates/warranty directly from the Original Equipment Manufacturer (OEM) will not be deemed as Single Tender Enquiry.

16.0 Safe Custody of Documents

16.1. All tender documents and registers should be available for perusal when required by Audit/ Vigilance. The Officer-in-charge of the concerned Department or any other officer duly authorized in this regard and who does not deal with the purchase/ procurement shall be personally responsible for safe custody of the tender opening register, all tender documents and the Procurement Committee Meeting Register.

17.0 Rate Contract with Director General of Supplies and Disposals (DGS&D)

17.1. Wherever possible, arrangement may be made with the DGS&D for supply of articles at Government rate contract.

17.2. In cases where it is not possible to enter into a rate contract through the DGS&D, arrangements may be made for entering into rate contract with reputed dealers for the purchase of stores, which are frequently required in large quantities after inviting tenders from approved firms/dealers by following the normal tendering procedure.

18.0 Insurance of materials in the custody of contractors

18.1. Arrangement should be made for covering the materials belonging to the Corporation, which are in the custody of/being used by a contractor against the usual risks, through insurance. Those contractors, whose arrangements are considered inadequate, may be asked to take out insurance policy to cover GIC Re properties in their possession against the usual risks.

19.0 Payment of Bills

19.1. The Officer authorized to make payment in accordance with the limits of authority shall sanction the payment only on the basis of a certificate recorded to the effect that the items supplied/services received are of the quality and quantity specified in the contract and that the quality/quantity does not fall below the contracted specifications. This certificate

shall be issued by an officer duly authorized for the purpose, after satisfying himself thoroughly regarding the material/services received. In case of breach or any lapse of contract or any losses incurred, the same shall be recovered from the pending bills of or from the security deposit provided by the vendor/provider.

20.0 Relaxations

20.1. No relaxation from this Process shall be permitted without the special sanction of the CMD.

21.0 Award of work and signing of contract

21.1. In order to avoid any potential source of corruption, it should invariably be ensured that once the offer is found techno-financially acceptable, the work is awarded without any loss of time. The Purchase order containing a reference to the terms and conditions of the procurement followed up with the formal acceptance of the order by the selected bidder would constitute the basic contract for the procurement. Similarly, the terms and conditions associated with Software Licenses requiring online acceptance or on-installation acceptance would constitute a valid contract for the procurement. For procurement through invitation of bids, it would also be necessary to enter into a separate formal agreement. In case of renewals such as maintenance arrangements or extension of the validity of software licenses, outsourced services, etc. the terms and conditions of the existing contract will continue unless there is a need for changes in the clauses. All the necessary documents should be kept ready before hand and a formal contract agreement containing all the requisite documents forming part of the agreement should be signed by both parties immediately.

21.2. The contract should inter-alia provide for settlement of disputes that may arise in the execution of the rate contract before the Sole Arbitrator to be appointed by GIC Re.

21.3. Once the contract is awarded, this information may be posted on the website of the company.

(Refer: -CVC Office Order No. 13/3/05 dated 16th March 2005 and Circular No.17/7/09 dated 14th July 2009 on "Posting of details on award of tenders/ contracts on websites").

22.0 Security Deposits

22.1. Normally, it will be necessary to provide for security deposits where the quantum of the order placed exceeds Rs. 5 lac. The contract should provide that in the event of breach of any condition or the quality / quantity of items supplied/services received do not confirm to the stipulations contained in the contract, the security deposit shall be forfeited in addition to GIC Re seeking other relief which may be available as per law. Such securities may be demanded as a guarantee for the due performance of the contract awarded to a party or to safeguard the interest of GIC Re properties entrusted to the Contractor. Security deposit in the nature of performance guarantee shall be payable by the successful bidder @ 10% of the contracted value. The performance security can be accepted either in the form of Demand

Draft / Bankers Cheque/Purchase Order, or Bank Guarantees through Scheduled Banks. The deposits shall not carry any interest.

22.2. A proper register shall be maintained giving details of EMD, Security Deposits, and date of amount, MR/DD number and name of contractors/vendors/service providers etc.

23.0 Advance Payment and Bank Guarantees

23.1. Advance payments need to be generally discouraged except in specific cases, where prior approval of the Competent Authority as per FSO may be taken.

24.0 Performance Bank Guarantee

24.1. In order to safeguard the organization interest, it would be appropriate to take reasonable amount of Performance Bank Guarantee valid up to Defect Liability period for due performance of the contract. The date of submission for the BG should be clearly spelt out and adhered to at the time of the execution of the contract. The genuineness of the BGs should be checked from the issuing bank. The validity of the BG needs to be carefully monitored and whenever the time extension for contract is granted, the validity of BG should also be appropriately extended.

25.0 Prevention of Corruption

25.1. An employee found to tamper with tenders or disclose quotations or indulge in corrupt practices or contravene this Process in any manner shall be liable for Disciplinary Action under GIC Re CDA rules.

25.2. In case it is found that a supplier/provider tries to bribe any official of GIC Re to get favours, he shall be liable to be penalized by cancellation of contract and being banned/black listed from the panel.

26.0 Penalty Clause

26.1. While inviting tenders for purchase of items/services or for entering into contracts, from firms/dealers, the penalty clause shall be introduced, providing for recovery of penalty from the bills of the firm/dealers in case the items/services supplied falls below the contractual specifications with regard to the quality, quantity and time schedule of delivery of the items/services.

26.2. The quantum of financial penalty, which shall be specified separately for each tender and shall form part and parcel of tender terms and conditions, should be fixed by the concerned Competent Authority.

26.3. In addition to the financial penalty, the Officer in charge, with the recommendations of the Procurement Committee, may cancel the tender/contract and/or remove/blacklist such firms/dealers from the list of approved firms.

27.0 Disposal of unwanted items

27.1. GM (ITMG)/DGM (ITMG) / AGM (ITMG) may dispose of any unserviceable items by following similar procedures as outlined above. Such disposal of unwanted items may be done separately or as part of a normal Procurement process in the form of items offered as buy-back.

28.0 Guarantee/Warranty Terms

28.1. Detailed guarantee/warranty clause embodying all the safeguards should be incorporated in the tender enquiry and the resultant contract. It also needs to be ensured that in installation/commissioning contracts, the guarantee/warranty should reckon only from the date of installation/commissioning.

29.0 Laws/Government Orders/CVC guidelines

29.1. In case of any conflict with or in the event of any changes in, the laws of the land and or stipulations or guidelines issued by the Government or by the CVC, the said laws/stipulations/guidelines shall prevail/apply.

30.0 Integrity Pact

30.1. The tender document for all Procurements which are above the threshold limit set by GIC Re (currently Rs. 25 Lakhs) should contain an Integrity Pact clause as per the prescribed format.

31.0 Applicability of CVC guidelines

31.1. Any new or appended or amended CVC circulars/notices will have its impact on the SOP.
