

**GOVERNMENT OF PUNJAB**  
**DEPARTMENT OF LOCAL GOVERNMENT**  
**(LOCAL GOVERNMENT-4 BRANCH)**  
**[Punjab Municipal Bhawan, Sector 35-A, Chandigarh]**

**Notification**

The,02-08-2018

No.5/82/2018-2lg4/1892 **Standard Operating**  
**Procedure for Execution of all types of Development Works/ O & M works, Hiring of Machinery etc. & Procurement of Goods in Local Government Department, Punjab– Part I**

In order to streamline the process of execution of Development works & Procurement of Goods in Local Government Department, a Standard Operating Procedure has been prepared as under:

**PROCUREMENT OF GOODS**

This Chapter contains the General rules applicable to all ULBs, regarding procurement of Goods required for use in the public service. Detailed instructions relating to procurement of goods may also be issued by the Local Government department from time to time.

**1. Definition of Goods.** The term 'goods' used includes all articles, material, commodity, livestock, furniture, fixtures, raw material, spares, instruments, machinery, equipment, stationary, vehicles, medicines, assemblies, subassemblies, accessories, or such other category of goods or intangible products like software, technology transfer, licenses, patents or other intellectual properties purchased or otherwise acquired for the use of the ULBs but excludes books, publications, periodicals, etc. for a library. The term 'goods' also includes works and services which are incidental or consequential to the supply of such goods, such as, transportation, insurance, installation, commissioning, training and maintenance.

**2.Fundamental principles of public buying (for all procurements including procurement of works).** Every ULB shall have the responsibility and accountability to bring efficiency, economy, and transparency in matters relating to public procurement and for fair and equitable treatment of suppliers and promotion of competition in public procurement.

The procedure to be followed in making public procurement must conform to the following yardsticks:-

- (i) The description of the subject matter of procurement to the extent practicable should –
  - a) Be objective, functional, generic and measurable and specify technical, qualitative and performance characteristics.
  - b) Not indicate a requirement for a particular trade mark, trade name or brand.
- (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 ULBs. The specifications so worked out should meet the basic needs of the organisation 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 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 ULBs should prepare Annual Procurement Plan before the commencement of the year and the same should also be placed on their website.

**3. Authorities competent to purchase goods.** An authority which is competent to incur expenditure may sanction the purchase of goods required for use in ULB in accordance with provisions in the Punjab Municipal Corporation Act, 1976, Punjab Municipal Act, 1911, Punjab Town Improvement Act, 1922 & Rules framed there-in.

**4. Rate Contract.** The ULBs shall preferably procure the Goods at the Rate contracts with the registered suppliers for such goods with Controller of Stores, Punjab, or through Government e-Market place (GeM) portal. Any items which are not available on GeM or from registered suppliers for such goods with Controller of Stores, Punjab, the same shall be purchased by Open Tender. The ULBs shall follow those rate contracts to the maximum extent possible. The credentials of suppliers on GeM shall be as certified by DGS&D. The procuring authorities will certify the reasonability of rates. The GeM portal shall be utilized by the ULBs for direct on-line purchases 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 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 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.
- (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.
- (vi) The ULBS shall work out their procurement requirements of Goods and Services on either "OPEX"(Operating expenditure) model or "CAPEX" (Capital expenditure) model as per their requirement/ suitability at the time of preparation of Budget Estimates.
- (vii) The ULBs 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 Buying / 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. The ULBs shall ensure that the same goods are not purchased again within 3 months of last purchase.
- (ix) In the GeM platform, the payment to the suppliers have to be made in a specified time period, otherwise the purchaser is liable to pay interest. Therefore, ULBs should make purchases if sufficient fund are available with them.
- (x) In case the ULB decides to purchase Goods by way of open e-tender for the goods other than available through GeM market place, adequate price discovery should be made by cross checking the rates various platform as well as market using Business Analytics Tools.

**5. Purchase of goods without Quotation** Purchase of goods up to Rs. 5000/- occasionally or in emergent needs 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:

"We \_\_\_\_\_ & \_\_\_\_\_, are 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."

Name & Signature Of  
Purchasing Officer

Name & Signature Of  
Competent Authority

**6. Purchase of goods with Quotations** Purchase of goods exceeding Rs. Five Thousand & upto Rs. Twenty Five Thousand may be made with inviting sealed quotations by issuing 7 days' notice inviting Quotations bearing valid dispatch number of the ULB (at least to be sent to DC office of the District concerned, concerned DDR office, ULBs of the District concerned for placing at their Notice Boards). Such Quotations shall be opened by the competent authority as prescribed in relevant governing Acts. A certificate shall have to be recorded by the purchasing officer & the Competent Authority in the following format:

"We \_\_\_\_\_ & \_\_\_\_\_, are 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."

Name & Signature Of  
Purchasing Officer

Name & Signature Of  
Competent Authority

**7. Emergent Maintenance of Essential Services/Works by ULB's**

**Definition of Maintenance of Essential services:** Maintenance of Essential services under this head means repair of water supply lines, sewerage lines, Repair of Tube-wells, Pumps, fire hydrants, emergent Sanitary fixtures, replacement of Manhole covers, Road Gulley covers, electric panels, machinery required for maintenance of services or any other service which the competent authority deems fit.

The ULBs may execute the emergent maintenance of essential services after obtaining Administrative approval up to the limits mentioned below:

| <b>Sr. No</b> | <b>Type of ULB</b>   | <b>Amount</b> |
|---------------|--|---------------|
| 1             | Commissioner Municipal Corporations & Chairman Improvement Trusts situated in such Towns                 | Rs. 100000/-  |
| 2.            | Executive Officer for Class I Municipal Councils & other Class I Improvement Trusts                      | Rs. 40000/-   |
| 3.            | Executive Officer for Class II Municipal Councils & other Class II Improvement Trusts                    | Rs. 30000/-   |
| 4.            | Executive Officer for Class III Municipal Councils/Nagar Panchayats & other Class III Improvement Trusts | Rs. 20000/-   |

Provided that the total expenditure on such emergent maintenance works shall not exceed **2%** of the total annual budget for development and maintenance works of the ULB.

The ULBs should prefer the mode of implementing Annual Maintenance Contracts by inviting E-tenders every financial year for maintenance of common essential services/breakdowns mentioned above. In case any eventuality is not covered under the Annual maintenance Contract only then these emergent powers should be used.

## **8) Development Works**

**Definition of Development Works:** The Development works mean Construction and maintenance of Roads, Streets, bridges (including over bridges, under bridges, causeways, pedestrian bridges etc), Streetlight, drainage, sanitation, Solid waste management(including waste recycling etc), water supply, sewerage/sewerage treatment plants, storm water drains, parking places, Markets, shopping complexes, parks, play grounds, Stadiums, slum housing, Multi storeyed Housing, Community Centres, Cremation Ghats, burial grounds, any other project providing Public services, any other Infrastructure project or Machinery connected with such projects, various schemes sponsored by State/Central Government

All the Development works and all other maintenance works as above beyond the limits mentioned in Sr. no. 1 shall only be executed as under:

### **1. APPOINTMENT OF CONSULTANTS**

Some ULBs appoint Consultants due to lack of in-house expertise in technical matters. While hiring Consultants is justified for such organisations, of late, it has been observed that even the engineering departments of some ULBs, with large technical set-up have indulged in the practice of hiring Consultants. It has invariably been noticed that the appointment of Consultants is done in an ad hoc and non-transparent manner without inviting tenders and without collecting adequate data about their performance, capability and experience. In some cases the consultants

are appointed after holding direct discussions with only one firm without clearly establishing the job-content and consultation fee payable to them. Often the scope of work entrusted to the consultant is either not defined properly or the consultant is given a free hand to handle the case so that experiments with impractical, fanciful and exotic ideas result in unwarranted costs. The organisations display an over-dependence on consultants and invariably abdicate their responsibility completely. The officials do not even oversee the working of the consultants resulting in the latter exploiting the circumstances and at times, in collusion with the contractors, give biased recommendations in favour of a particular firm. It has also been noticed that the consultants recommend acceptance of inferior items/equipment and also give undue benefit to the contractors like non recovery of penalties for the delayed completion.

The appointment of Consultants should be absolutely need based and for specialised jobs only. The selection of consultants should be made in a transparent manner through competitive bidding. The scope of work and role of consultants should be clearly defined & they should have minimum relevant experience in the concerned field and the contract should incorporate clauses having adequate provisions for penalising the consultants in case of defaults by them at any stage of the project including delays attributable to the consultants. As far as possible a Project Implementation Schedule indicating maximum permissible time for each activity should be prepared with a view to arrest time over-runs of the projects. The role of the consultants should be advisory and recommendatory and final authority and responsibility should be with the departmental officers only.

The Government of India has formulated a Manual of Policies and Procedure of Employment Consultant which is attached. The ULBs should strictly follow the same.

## **2. PREPARATION OF ESTIMATES**

2.1 It has been observed that the estimated value put to tender is at large variance with the actually accepted value of the contract. The reasons for this can be attributed to either wrong assessment of quantities of items or the sketchy estimates prepared in an unprofessional manner. Sometimes to arrive at the estimated value for a particular item, the rates of lower capacity items are extrapolated or a linear escalation is added to the last accepted rates for similar items. The estimates thus prepared are found to be far from realistic. This results in award of contracts at very high rates vis-à-vis the estimates.

Preparation of estimates for contracts is an area, which needs special emphasis. A well-defined scope of work and a realistic market rate estimate can prove to be a vital input for successful execution of a contract with high standards of quality. The estimates should take into consideration all relevant factors based on the prevailing market price of various inputs such as labour, material, equipment, etc. at the concerned locations. For big projects like Flyovers, ROBs etc and other turnkey contracts where financial assessment of the project is done well in advance, before the finalisation of the contracts, the financial amount indicated in Techno-Economic clearance/Techno-Commercial feasibility reports should be duly analysed and updated before converting the same into a workable estimate. Any deficiency or inadequacy of data (in terms of rates or quantity) found in such reports should be highlighted beforehand in order to prepare a realistic estimates for the tenders. Therefore:

- i) A detailed estimate based on the instructions/policies of the Local Govt. issued from time to time shall be prepared and all the relevant Analysis of rates, drawings shall be placed in the estimate.

- ii) A brief note showing the need the preparation of estimate shall also be placed in the file. The note should mention that whether the work is to be executed for the first time or is a maintenance work. If it is a maintenance work, it has to be ensured that the maintenance to be carried out is after the completion of the stipulated period as per norms.
- iii) While preparing the estimate, in case of Non Schedule Items, complete detail of specifications should be given in the Estimate, no particular brand should preferred, but a variety of Brands should be mentioned.
- iv) If any structure design of a building, design statement, L-section, X-section etc in any work is required the same shall be done before preparing the estimate.
- v) **Expression of Interest:** In case where equipment/Machinery to be procured is of complex nature or any work of complex nature is to be executed and the ULB may not possess full Technical solutions available in the market to meet the desired objectives of a transparent procurement that ensures value for money as well as ensuring up gradation of technology and capacity building, in such cases it would be prudent to invite Expression of Interest (EOI) from experienced manufacturers/suppliers in a transparent manner and proceed to finalize the specifications based on Technical discussions/presentations with them. The broad objectives, constraints etc could be published by calling EOI.

On receipt of the EOI Technical discussions/presentations may be held with the shortlisted manufacturers/suppliers that are prima facie considered Technically and financially capable for the same. During these Technical discussions the ULB may add such other stake holders in the discussions who could add value to the decision making on various aspects. Based on the discussions/presentations one or more acceptable Technical solutions may be decided upon laying down detailed Technical specifications for each acceptable Technical solutions, Quality bench marks, warranty requirements, delivery milestones etc, in a manner which is consistent with the objectives of the transparent procurement. Care should be taken to make the specifications generic in nature so as to provide equitable opportunities to the prospective bidders. Proper record of discussions/presentations and the process of decision making should be kept. The ULBs may thereafter go ahead with the Techno commercial bids as per the prevalent tendering system.

- vi) In some ULBs there is a frenzy of activity to indiscriminately prepare and approve estimates surpassing the Budget provisions of funds for Development & maintenance, for either frivolous activities or in 2nd and 3rd stage priority proposals. In worst cases, the proposals are initiated in collusion with contractors to buy and install equipment nearing obsolescence resulting in completely infructuous expenditure. Such actions should be totally avoided and proper care should be taken that the total value of the estimate prepared/administratively approved should not be more than budget provisions kept for development/maintenance of the procurement. The detailed guidelines issued by the Government vide letter no: 128/A1-GB-DLG-2015(Misc)/15475-668 dated 15.04.15 shall be strictly adhered to.
- vii) The Photography/videography of the site for which the estimate is being prepared, should be placed in the estimate file.
- viii) After the estimate has been prepared, the same shall be got technically sanctioned from the competent technical authority as under:

| Sr. no. | Officer competent to accord Technical sanction | Amount up to which the |
|---------|--|------------------------|
|---------|--|------------------------|

|   |  |   |
|---|--|---|
|   |  | <b>Technical sanction can be accorded</b> |
| 1 | Junior Engineer  | 2 Lacs                                    |
| 2 | Assistant Municipal Engineer/Assistant Corporation Engineer/Assistant Trust Engineer | Above 2 lacs upto Rs 25 lacs              |
| 3 | Municipal Engineer/ Corporation Engineer/ Trust Engineer                             | Above Rs 25 lacs upto Rs 50 lacs          |
| 4 | Superintending Engineer  | Above Rs 50 lacs upto Rs 1 Crore          |
| 5 | Chief Engineers  | Above Rs 1 Crore                          |

**Note:** For estimates above 5 Crore, a committee of 3 Chief Engineers shall accord Technical sanction to such estimates.

- ix) All ULBs shall maintain an Estimate History Register in following format. This Register shall be maintained calendar year wise & estimate number shall be given as 01/2018, 02/2018 & so on. The estimate number shall form part of the administrative approval as well.

| Name of ULB |              |                       |                       |  |   |                |                     |                                       |   |  |
|-------------|--------------|-----------------------|-----------------------|--|---|----------------|---------------------|---------------------------------------|---|--|
| Estimate No | Name of Work | Estimate Cost in Lacs | Original/ Maintenance | Date & Authority of Technical Sanction | Resolution No & date of Administrative approval | Date of Tender | No Of Bids received | Letter No & Date of Allotment of Work | Name of Agency to whom work is allotted | Total Final amount spent of Work in lacs |
| 1           | 2            | 3                     | 4                     | 5                                      | 6   | 7              | 8                   | 9                                     | 10                                      | 11                                       |
|             |              |                       |                       |  |   |                |                     |                                       |   |  |

- x) It has been observed that certain Technical officers split estimates into smaller estimates pertaining to same locality & of similar nature, so as to avoid getting Technical sanction from the higher Technical officers. No splitting of the estimates is permitted. Some of instances of splitting of Estimates are highlighted as under:

- A ULB prepared 8 estimates of approximately 15.80 lacs for works of same nature in the same location, for providing & fixing Cat eyes, Solar Cat eye, Solar Blinkers etc on the same day. The higher officers of the ULB accorded Administrative approval ignored the Government instructions and allowed administrative approval so as avoid getting administrative approval from the House.
- Some ULB prepare splitted estimates for a work indicating in the nomenclature as: P/F ----- from house no say 234 to 240 & another estimate in the same locality indicating different house nos.

These examples are only illustrative & not exhaustive.

- xi) A provision of 0.50% of the Estimated cost for the purpose of for getting Materials/ samples of all kind of material involved in execution of works by the Departmental officers tested from various Engineering Colleges of repute like Thapar Institute of Engineering Technology, Patiala, Punjab Engineering College, Chandigarh, NIT Jalandhar, NITTR Chandigarh, PWSSB Lab, Guru Nanak Dev Engineering College, Ludhiana, IIT Ropar, PWD B& R Lab at Patiala & Amritsar, Punjab Water Supply & Sanitation Lab. A separate SOP for Quality Control is being prepared by the department.

However the Tests required to be got done by the Contractors shall continue to be carried out by the Contractors at their own cost.

### 3. ADMINISTRATIVE APPROVAL

- 3.1 After the estimate has been sanctioned by the Competent Technical Authority, the estimate shall be placed before the house for according

Administrative approval. Before according administrative approval for any project, it is necessary to establish its techno-commercial viability in terms of rate of return (where applicable) and other benefits and also to evaluate the available alternatives to ensure an optimum utilisation of public funds. The tendency to park the funds in frivolous projects to beat the targets needs to be severely discouraged. Before according administrative approval, proper care should be taken that the total value of the estimate administratively approved should not be more than budget provisions kept for development/ maintenance of the procurement.

- 3.2 No estimate shall be placed before the house until and unless the estimate has been technically sanctioned by the competent Technical authority.
- 3.3 The tenders for such approved works shall only be called when the resolution pertaining to administrative approval has been approved by the Govt. In no case, Tenders will be called in anticipation of Technical/Administrative sanction.

#### **4 NOTICE INVITING TENDER**

4.1 The most preferred competitive and transparent mode of tendering is to go in for Open/Advertised tenders. However, there is a tendency in some ULBs to go in for limited tenders for high value works. The reasons given for this are, either that the work has to be completed in a very short time or that the firms known for carrying out a particular work are very few in number. In the process, the competition gets restricted which in turn results in cartel formation, higher rates and favouritism to select firms. At times, even in cases where advertised tender notices are issued, the same are published in 'local' dailies and not in any vernacular newspaper. In some cases, the notice was published only in newspapers with limited circulation. There are also cases of the tender notice being published in a vernacular newspaper in local pull outs but not on the page dedicated to the advertisements for tenders, thus partly restricting the competition and defeating the purpose of issuing advertised tenders. Therefore:

- i) The tenders for such approved works shall only be called when the resolution pertaining to administrative approval has been approved by the Govt. In no case, Tenders will be called in anticipation of Technical/Administrative sanction.
- ii) After the approval of resolution, the tenders will be called by giving Tender Notice in two Newspapers having State wide circulation of vernacular & English/Hindi language. If the cost of Tender is above 5 crore then the Tender Notice will also be given in a newspaper having circulation in the National Capital Region. The date of Tender should be at least 21 days further from the date of publication. In addition to the newspaper advertisements, the tender notices should also be put on the ULBs website indicating all the details of the tender.
- iii) All contractors enlisted with Government departments/Semi-Government Departments of the State or Enlisted with ULBs of the State should be allowed to participate in the tendering process. For Enlistment of contractors in the ULBs the policy guidelines issued vide letter no: ;2-I;-v;;-14/19816-831 dated 30-5-2014 should be strictly followed.
- iv) As soon as the Tender Notice is sent for publication, the Tenders shall be uploaded on the E-Tendering website and the Tenders shall be authorised immediately so that the Tender is visible at least for 21 days from the date of authorising the Tenders.

- v) If the ULB is of the opinion 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 ULB 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 addition to the paper advertisements, the tender notices should also be put on the ULBs website indicating all the details of the tender.

The Notice Inviting Tenders (NIT) should contain all the relevant information in an explicit and categorical manner. It should clearly indicate the estimated value of the work, Earnest money, Time limit of work, tender sale and tender opening dates in the Tender notice. The ULBs should prefer giving opportunity to the potential bidders for a pre-bid meeting so that any apprehension in the minds of the prospective bidders can be addressed & thus will result in wider participation. Any corrigenda issued in support of extension of dates or any other information should be individually intimated by various means and also be published in the media for wider publicity.

The tendency of ULBs giving unrealistically short time for submitting the bids so that only such firms which are acquainted with the functioning of the organisation and with prior preparations are able to participate in the bid should be totally avoided.

- vi) **Pre-Qualification Criteria:** In case of specialized works, if a Pre-qualification criterion is to be adopted to allow firms to participate in the Tendering process, the pre-qualification criteria should be in clearly defined terms because a Pre-qualification criterion is a yardstick to allow or disallow the firms to participate in the bids & a vaguely defined PQ criteria results in stalling the process of finalizing the contract or award of contract in a non-transparent manner. It Therefore, while fixing the conditions of PQ, the ULBs should keep following in mind:
- a) Stringent PQ Criteria results in poor competition, therefore the criteria should be practical, framed objectively to commensurate with importance & size of procurement/project,
  - b) Unduly restrictive criteria creates entry barrier for potential bidders,
  - c) Evaluation criteria not notified to the bidders, makes PQ process non-transparent
  - d) PQ should be frozen before inviting PQ bids
  - e) Credentials of the bidders not matched with notified criteria
  - f) Credentials of the bidders not verified
  - g) No deliberate attempt is made to suit a particular bidder.

4.2 All Tenders above Rs. 20000/- shall be invited through E-tendering mode only.

4.3 **Pre Bid Meetings:** With the motive of having full transparency & fair chance of participation in the Tendering process, the ULBs shall encourage the convening a pre bid meet amongst the prospective bidders (for which a date shall be stipulated in the Tendering website at-least 10 days before the last date of receipt of Technical bids in case of **Ist attempt**, at least 7 days before the last date of receipt of Technical bids in case of **IIInd attempt** & at-least 3 days before the last date of receipt of Technical bids in case of **IIIrd attempt** ) to address the clarifications if any required by the prospective bidders regarding the Tenders. The requests/suggestions of the prospective

bidders & the decision of the ULB shall be uploaded within 2 days of the pre-bid meet in a tabulated form duly signed by the Tender opening authority after obtaining approval of the Commissioner, Municipal Corporation/Chairman Improvement Trust/Executive Officer of Councils or Nagar Panchayats. An attendance record of the participation of such bidders shall be maintained.

**4.4Tenders in Two Bid System:** All the Tenders uploaded on the E-Tendering website shall be on two bid basis i.e. Technical bid and Financial bid.

- I) In case of works below 1 crore, the minimum documentation to be ascertained for Technical Bid shall be as under:
  - a) PAN number of the Contractor/L&C Society/Firm
  - b) GST number
  - c) EPF number where applicable
  - d) ESI number
  - e) Valid Enlistment Certificate
  - f) Self-declaration that the Contractor/L&C Society/Firm has not been black listed till the publication of Tender notice.
  - g) In case of L&C Society, list of Members of the Society, their Id proofs & capacity certificate issued by Registrar Co-op Societies
  - h) Intending Bidders shall submit an Undertaking that the sum total of works being bid does not exceed their Bid Capacity by deducting value of all works in hand(in all departments) at that point of time. In the event that information provided by the bidder is found to be false or misrepresentative, the Tender would be liable for cancellation including forfeiture of the Earnest Money deposited by the Bidder.
- II) In case of works above 1 Crore, the Tender shall be called on basis of Standard Bid Document approved by PWD (B&R) Punjab as amended from time to time as available on website of PWD.
- III) In both the cases before opening the Technical bids, reconciliation of earnest money in ULBs account be ensured.
- IV) In both cases, the Technical Bids should be carefully scrutinized & a detailed note should be prepared showing compliance of requirement of documents as specified above or SBD (as the case may be) & the same be got approved by the Technical authority not below the rank of Municipal Engineer/Corporation Engineer/Trust Engineer. If any Technical Bid does not meet the criteria, the detailed reasons of rejection on Technical grounds have to be specified & uploaded on the tendering website.
- V) The Financial Bids should be called only on percentage basis i.e percentage below the estimate & not on item wise basis.
- VI) The Financial Bids of all the technically qualifying Bidders shall be opened on the specified date & time uploaded on the Tendering website.

## **5. Procedure of Opening of Bids**

In order to promote full transparency, healthy competition and award of works at most reasonable price, following methodology shall be strictly adopted by the ULBs:

- 5.1 **First Attempt:** In first attempt of calling the Tenders, the financial bids will only be opened if minimum three valid Technical bids are received by the ULB as per details mentioned in para 4.2 above.
- 5.2 The Technical Bids should be carefully scrutinized & a detailed note in tabulated form should be prepared showing compliance of requirement

of documents as specified above or SBD (as the case may be) & the same be got approved by the Technical authority not below the rank of Municipal Engineer/Corporation Engineer/Trust Engineer. If any Technical Bid does not meet the criteria, the detailed reasons of rejection on Technical grounds have to be specified & uploaded on the tendering website.

- 5.3 In case less than three valid Technical bids are received in Ist attempt, the financial bids shall not be opened & the Tender opening authority shall invariably cancel such Tenders & recall the Tenders.
- 5.4 **Second Attempt:** In the second attempt, the date of Tender should be at least 14 days further from the date of publication. As soon as the Tender Notice is sent for publication, the Tenders shall be uploaded on the E-Tendering website and the Tenders shall be authorised immediately so that the Tender is visible at-least for 14 days from the date of authorising the Tenders.
- 5.5 In the second attempt of calling the Tenders, in case less than three valid Technical bids are again received, the financial bids shall again not be opened & the Tender opening authority shall invariably cancel such Tenders & recall the Tenders.
- 5.6 **Third Attempt:** In the third attempt, the date of Tender should be at least 7 days further from the date of publication. As soon as the Tender Notice is sent for publication, the Tenders shall be uploaded on the E-Tendering website and the Tenders shall be authorised immediately so that the Tender is visible at-least for 7days from the date of authorising the Tenders.
- 5.7 In the third attempt of calling the Tenders, in case less than three valid Technical bids are again received, the financial bids shall be opened.

## 6. Acceptance of Financial Bids

- 6.1 The financial bids so opened in the first attempt or subsequent attempts shall be evaluated carefully and full justification of reasonability of rates shall be recorded by the Tender opening authority while preparing the Comparative statement & clear recommendation for allotment of work. The Comparative Statements shall be vetted by the Technical officers as under:

|                               |  |
|-------------------------------|--|
| For works upto Rs. 5 lacs     | Assistant Trust Engineer, Assistant Corporation Engineer, Assistant Municipal Engineer as the case may be. |
| Above 5 lacs uptoRs. 25 Lacs  | Trust Engineer, Corporation Engineer, and Municipal Engineer as the case may be.                           |
| Above 25 lacs uptoRs. 50 lacs | Concerned Superintending Engineer  |
| Above 50 lacs upto 5 Crores   | Concerned Chief Engineer   |
| Above 5 Crores                | Committee of 3 Chief Engineers   |

- 6.2 If the Financial bid quotes more than 25% saving from the estimated cost, the Engineer may ask the bidder to produce detailed analysis for any or all the items to check the viability of rates w.r.t to Construction methodology & workability. After evaluation of price analysis, the ULB may ask the Bidder to give an additional Bank Guarantee @ 5% of the estimated amount (to remain valid till the time period of the refund of security) so as to protect against financial loss in event of subsequent default by the Bidder for not completing the work etc.
- 6.3 No post tender negotiations shall be carried out by the ULBs with the bidders other than the L-1 bidder that too in exceptional circumstances after applying due application of mind & recording valid, logical reasons

justifying the need of negotiation. In case L-1 bidder backs out then there shall be recall of Tender.

- 6.4 The Tenders will be accepted by the Administrative authority as prescribed in accordance with provisions in the Punjab Municipal Corporation Act, 1976, Punjab Municipal Act, 1911, Punjab Town Improvement Act, 1922 & Rules framed there-in.

Dated: 01.08.2018

A Venu Prasad, IAS  
Principal Secretary  
Local Government Punjab

Endst No.5/82/2018-2lg4/

Dated:

A copy is forwarded to the Controller, Printing & Stationery, Punjab, Mohali, with the request to publish the notification in the Extraordinary Gazette of Punjab Government and Supply 50 spare copies of the same for the official use.

*sdr*  
Under Secretary

Endst. No:5/82/2018-2lg4/1894-1901

Dated: 02-08-2018

A copy of above is forwarded to the following:

1. PA to CEO for kind information of Chief Executive Officer, PMIDC.
2. PA to DLG for kind information of Director Local Govt., Punjab.
3. All Commissioners, Municipal Corporations in State of Punjab.
4. All Regional Deputy Directors, Local Govt. Department in State of Punjab
5. All Chief Engineers Local Govt., Department in State of Punjab.
6. Chief Vigilance Officer, Local Govt. Department, Punjab.
7. DCFA, Local Govt., Department
8. Examiner Local Fund Accounts, Punjab, Chandigarh

*Kallu*  
Under Secretary  
*de*