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National Rural Roads Development Agency
Ministry of Rural Development
Government of India

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May 7, 2013

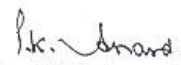
Circular

Sub: Guidelines for Evaluation of Bids and Award of Contract under Pradhan Mantri Gram Sadak Yojana (PMGSY).

Please refer to Circular No. 11, P-17025/43/2011-RC dated 3rd November, 2011 and Circular No. 13 dated 12th December, 2011 issued by Ministry of Rural Development, Government of India regarding Single Bids/Tenders. Thereafter, a draft Circular on Single Bid/ Tender under PMGSY and draft Guidelines on Evaluation of Bids and Award of Contract under PMGSY were circulated vide this Office letter dated 21st January, 2013. States were asked to furnish their comments and after consideration of these comments, Guidelines for Evaluation of Bids and Award of Contract under Pradhan Mantri Gram Sadak Yojana (PMGSY) have been finalised and are attached herewith. These Guidelines also include the process for dealing with Single Bids / Tenders.

2. The Guidelines require use of GePNIC software. However, for the time being, evaluation of technical and financial bid would continue to be carried out through manual process till such time as the GePNIC software is modified to capture data regarding qualification of contractors in data form.

3. The above Guidelines are applicable for procurement of all works under PMGSY with immediate effect superceding all previous directions / instructions regarding Single Bids/Tenders.


(Dr. P.K. Anand) 7/5/13
JS (RC) & DG, NRRDA

To: All State Principal Secretaries/ Secretaries in-charge of PMGSY

Copy to :

1. All Chief Executive Officers of SRRDAs.
2. All Chief Engineers in-charge of PMGSY
3. All State Quality Coordinators
4. All Directors, RC Division, MoRD
5. All Directors of NRRDA


(Prabha Kant Katare)

Director (Projects)

National Rural Roads Development Agency,
Ministry of Rural Development,
Government of India



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**Guidelines
for
Evaluation of Bids and Award of Contract
under
Pradhan Mantri Gram Sadak Yojana (PMGSY).**

May, 2013

Guidelines for Evaluation of Bids and Award of Contract *under*

Pradhan Mantri Gram Sadak Yojana (PMGSY)

1. Introduction:

Pradhan Mantri Gram Sadak Yojana (PMGSY) is a flagship national programme for providing connectivity to target unconnected habitations in the country. In this programme, 100% funds for construction of good all weather roads are provided to the State Governments. Procurement of works in the programme is an important activity which requires full transparency and accountability at all levels. Accordingly, PMGSY Programme Guidelines provide for invitation of tenders by the executing agency through e-tendering process, once the project proposals have been cleared by the Ministry of Rural Development and technical sanction has been accorded by the competent authority of the State Government. The well established procedure for tendering, through competitive bidding, is required to be followed by the executing agency for all projects. The States are required to follow the Standard Bidding Document (SBD) prescribed by the NRRDA for all the tenders. The NRRDA has prescribed SBD for all the tenders in the States except those States where the World Bank funded projects and for ADB funded projects are now being implemented. In World Bank funded States Model Bidding Document (MBD) is prescribed and in ADB funded States, for ADB assisted projects, ADB bidding document is prescribed.

2. The bidding documents provide for defining "Employer", "Engineer", etc. However, it has emerged from the observations on bidding process of various States that more clarity regarding the authorities involved in calling the tenders and various authorities involved in contract management would be useful.

3. Under the programme, e-tendering has been made mandatory and e-Procurement Software of NIC "GePNIC" is presently being used by 21 States however, 6 States are using other software. Under e-tendering, the contractors are required to upload technical and financial bids in the e-tendering module which is opened by the designated authority using the Digital Signature

Certificate (DSC). The evaluation of bids is carried out in two parts, the first being the evaluation of technical bids and the other of the Financial bid. The financial bid is submitted in such format which forms the data base. However, at present the data regarding qualification information is uploaded in the form of scanned documents. Accordingly, the technical evaluation is carried out manually by the authorised evaluators.

4. The Operations Manual provides for a maximum of 10 days duration for Technical Evaluation and notification of results and 10 days for Financial Evaluation and approval of the Financial bids (para 8.1.2) and a total of 71 days for entire process from advertising to issue of work order. However, it has been observed that in some States the time taken in the evaluation process is much higher due to consequent avoidable delays in evaluation and approvals. It has also been observed that the process of technical and financial evaluation is not uniform across the States and decision making sometimes takes a longer time because of the fact that the process of technical and financial evaluation is either too complex or lacks clarity. In particular, it has emerged that process of approval of single tenders is not uniform across the States and delays have been reported in evaluation and approval of the single tenders.

5. It has therefore been decided to prescribe various authorities as well as the process of technical and financial evaluation and approval of tenders (including single tenders) under the PMGSY in order to bring clarity and transparency and reduce delays.

5.1 Authorities in Bidding and Contract Management:

The State Rural Roads Development Agency (SRRDA) shall be responsible for inviting bids, evaluation and approval. As such, the "Employer" shall be the SRRDA. The Head of the District Programme Implementing Unit (DPIU) (*not below the rank of Executive Engineer*) shall be responsible for contract management. As such the "Engineer" shall be the head of DPIU.

5.2. Submission of Bids:

At present the contractor is required to furnish details in forms prescribed in Section 3 "Qualification Information" of the bidding documents and upload the relevant documents in scanned document form. Since the qualification information required for technical evaluation is not entered in the form of data, automatic generation of the comparative statement is not possible. It has therefore been decided that the GePNIC software would be upgraded so that the contractor, in addition to uploading scanned documents regarding qualification information, is also able to make data entry about the abstract of qualification information in data form so that automatic comparative statement can be generated.

5.3 Opening of Technical Bids and Evaluation:

The technical bid shall be opened by the designated authority using designated Digital Signature Certificates (DSCs) as prescribed under GePNIC (*The single bid/tender shall be handled as per provisions of Clause 5.8 of these Guidelines*). The technical evaluation shall generally be started immediately after the opening of the Technical Bids. The technical evaluation of the bids shall be carried out by the Committee constituted by the concerned SRRDA which shall comprise of the following:

- a) Head of PIU or Superintending Engineer having relevant jurisdiction
Chairman
- b) One other head of PIU/Superintending Engineer (Nominated by SRRDA)
- *Member*
- c) Finance Officer/Divisional Accounts Officer of PIU (Nominated by SRRDA)
- *Member*

5.4 The Committee would base the technical evaluation on the comparative statement generated through the "GePNIC" Software in this regard. Based on criteria for technical evaluation, the data appearing in the comparative statement shall be verified on the basis of scanned copies of certificates uploaded by the bidder. If, there are any differences in the data entered in the comparative statements and the facts given in the scanned documents, appropriate changes in the comparative statement shall be made by the

Committee and facts shall be recorded in the minutes. During the detailed evaluation of the technical bid, the Committee will determine whether each bids (a) meets the eligibility criteria defined in Clause 3 & 4 of the ITB (b) have been properly signed and submitted (c) is accompanied by the required security and (d) a substantially responsive to the requirement of the bid documents.

5.5 Based on input of data in appropriate input format, the statement of bid capacity of the contractor would also be generated by the GePNIC system and this statement shall be verified by the Committee on the basis of scanned documents uploaded by the bidder. If, there are any differences in the data entered in the statements and the facts given in the scanned documents, appropriate changes in the bid capacity statement shall be made by the Committee and facts shall be recorded in the minutes.

5.6 The results of technical evaluation shall be published on the GePNIC Website and appropriate communication shall be sent to the bidders. The process of technical evaluation shall in all cases be completed within a **period of five working days** from the date of opening the technical bids. From 6th day to 10th day, the period would be reserved for receiving complaints, if any, the resolution of complaints shall be done between 11th and 15th day.

5.7 Opening of Financial Bid and Evaluation:

Keeping in view the bid capacity of the bidder and following the provisions of para 8.4.2 and 8.4.3 of Operations Manual, the financial bid shall be opened by the designated officer using the DSCs at the appointed time (*The single bid/tender shall be handled as per provisions of Clause 5.8 of this Guideline*). Upon opening of the financial bid, a comparative statement would be generated by the GePNIC both in case of percentage rate tenders as also in case of item rates tenders. The Bidding Documents provide for award of work to lowest evaluated bidder, if the bid is found reasonable, subject to the available bid capacity. Accordingly, the financial bids will be evaluated by the following committee constituted by the SRRDA:

- | | |
|--|------------|
| a) Chief Executive Officer, SRRDA | - Chairman |
| b) Engineer – in- Chief or Chief Engineer having relevant jurisdiction | - Member |
| c) Financial Controller | - Member |

5.8 Single Bids / Tenders: In order to promote full transparency, healthy competition and award of works at the most reasonable price, it is not desirable to have too many awards of works on Single Bid / Tender basis. Accordingly, in case of receipt of Single Bid/Tender in the first invitation of Bids, the following process shall be adopted:

- a) **Definition of Single Tender:** If, consequent to invitation of tenders/bids for any package, only one bid/tender is received or consequent to technical evaluation if only one bid/tender is found substantially responsive, such bids/tender shall be termed as single tender for the purposes of the PMGSY.
- b) **Opening of Single Bids/Tenders:** If in the first invitation/call, single tender/bid is received, the State Rural Roads Development Agency (SRRDA) or authority inviting the tenders/bids **shall not open the bid**. In such cases, the bids shall be re-invited. Modifications in the e-procurement software shall be made by the NIC to delete the bid (*while maintaining the meta-data in the database*) from the server after the date of opening of bids and generate appropriate reports in this regard.
- c) **Second and Subsequent Invitation of Bids/Tenders:** Before issuing the second or subsequent invitations of bids, the SRRDAs are free to re-package the works or revise the estimated cost based on current market rates though no cost escalation would be borne by Government of India in such cases (*In case of repackaging, the invitation of bids would be treated as fresh invitation/call*). The State would be able to accept Single Tender in second or subsequent invitations/calls keeping in view the Guidelines of CVC in this regard and the fact that the rates are reasonable and full justification is recorded. Such bids shall be accepted with the approval of a Committee headed by CEO of SRRDA and comprising CE/E-in-C and Financial Controller as members (as per Para 5.7 above).

5.9 PMGSY works financed by ADB/World Bank: In case of Asian Development Bank/World Bank Assisted Projects, the relevant procurement guidelines shall apply and provisions of Para 5.8 above shall not be applicable.

5.10 Negotiations Not Permitted:

As per provisions under SBD or Model Bidding Document of PMGSY, negotiations with the bidders at any stage of bidding are not permitted. As such, the Employer shall not be authorised to carry out any negotiations at any stage and in any form.

5.11 Award:

The recommendations of the bid evaluation Committee shall be considered by the Chief Executive Officer of the SRRDA and the approval of the bids shall be issued. There shall not be any requirement of any more approvals for the bids. The Letter of Acceptance (LoA) shall be issued by the "Employer" prior to expiration of bid validity. However, the "Engineer" may also issue the LOA if authorised by "Employer" in writing.


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