



PROCUREMENT POLICY 2021



MADHYA PRADESH POWER TRANSMISSION CO. LTD.
(A wholly owned Govt. of Madhya Pradesh Undertaking)
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1. INTRODUCTION

- 1.1.** The erstwhile MPEB was formed in the year 1954. Under Power Sector Reform Program, Government of Madhya Pradesh (GoMP) has unbundled the MP State Electricity Board into six wholly owned State Government Companies out of which one each has been independently assigned Electricity Generation and Transmission functions and the balance four are companies responsible for electricity distribution. MP Power Transmission Company Ltd. (MPPTCL) is one of such companies carved out of Madhya Pradesh State Electricity Board to undertake the activities relating to electricity transmission within the state of Madhya Pradesh. MPPTCL was incorporated on 22nd November 2001 and it formally began its operations under an Operation and Maintenance Agreement executed on 1st July 2002 which provided for undertaking all activities related to intra-state transmission of electricity for and on behalf of MPSEB. MPPTCL is responsible for transmission of electricity in the entire state of Madhya Pradesh. As per Clause-6 of this agreement, the Company will develop system and controls for conduct of the activities including the management information system, delegation and decentralization of power, commercial process etc.
- 1.2.** The mission of Company is to provide uninterrupted, efficient and reliable transmission services and ensure sustained commercial viability. In order to achieve this mission, Company has endeavored to increase transmission capacity in accordance with load growth. In keeping with growth requirements of the state, the transmission networks as well as transmission capacity of the Company are continuously growing.
- 1.3.** The GoMP has nominated MPPTCL as State Transmission Utility (STU) in exercise of powers conferred by sub-section (1) of section 39 of the Indian Electricity Act 2003 with effect from 01.06.2004.
- 1.4.** The Company's business scope includes:
- (i) Engage in power transmission within the state periphery.
 - (ii) Operation and maintenance of transmission assets.
 - (iii) Investing in capital works related to improvement of Transmission networks.

In order to increase and sustain its performance in the transmission sector, the Company has to design its work plan for coming years in terms of projects catering to system augmentation and efficiency improvement. For project implementation, procurement of goods, works and services will be required. The procurement activity ranges from items for administrative purpose to purchase of material and service for erection and commissioning of EHV substations and transmission lines etc. The project funding ranges from State Government to multilateral funding agencies such as PFC, ADB, JICA, KfW, World Bank, Banks/Financial Institutions etc.

2. SCOPE AND PURPOSE

2.1. The purpose of this document is to articulate policy for MPPTCL's governance framework for procurement of goods and execution of works (including turnkey contracts) and services, by establishing and documenting uniform policies and procedures across the Company. The document spelling out guidelines for governance framework of Procurement by MPPTCL is titled 'Procurement Policy-2020. This document has been prepared in the light of experience gained over the years, changes in business context & environment particularly e-procurement. The policy will be hoisted on the website of MPPTCL. The provisions under this policy shall be followed diligently to ensure transparency in the procurement activities.

2.2. The Transmission business, inter alia, involve award and execution of contracts for procurement of goods and execution of works and services (referred to as 'Procurement'), under various modes of funding, inter alia, including own resources (domestic funding), loans/credits from domestic, multilateral/bilateral financial institutions (viz. the World Bank, Asian Development Bank, JICA, KfW, PFC, Commercial Banks etc.), Supplier's Credit, Deposit Work (funding by Client Organizations, Government Grant/Government arranged funds) etc. The policy covered in this document will apply to procurement made by the Procurement department at Corporate office of the Company and at field level.

However, for procurement funded by different financial institutions or other agencies (ADB, World Bank, JICA, KfW, etc.), the financing agreement with them would govern the legal relationships between MPPTCL and such institutions/ agencies, and the procurement in such cases shall be governed by the agreement with such institution/agency.

2.3. For successful execution of projects, one of the critical parameters is supply of quality material and services as per prescribed standards in a timely manner. This involves procurement of goods, works and services of varying magnitude and complexity. References to "goods, works and services" in these documents include all related services also such as transportation, insurance, civil works, erection/installation, testing, commissioning, training and initial maintenance etc. as the context may require. References to "services" in these documents also include services such as providing manpower for operation & minor maintenance of substation & Lines, office equipments, security, vehicles, rate contracts, asset management, office assistance designs, companies matters, independent engineers, auditor, safety consultant, load flow studies, third party inspection, of vehicles/office equipment etc.

2.4. The rights and obligations of MPPTCL and the providers of goods, works (including turnkey contracts) and services (i.e. Contractors/Suppliers/Consultants/ Agencies) for the Projects/Works/ Supplies shall be governed by the bidding document and by the contracts signed/executed by MPPTCL with them/service provider Therefore no other party, including the Contractor, shall derive any right from this Policy or have any claim on the Company on the basis of the same.

- 2.5.** An attempt has also been made to foresee contingencies/ issues that might be encountered in the course of business through this document, and to include policy for addressing the same, however, since it is neither possible nor practicable to foresee all possible contingencies/issues which may be encountered in the course of procurement, such contingencies/issues as may be encountered will be dealt in a transparent, fair and prudent manner, as would be reasonable and in MPPTCL's overall interest.
- 2.6.** The work of tendering etc. will be done as per policy matters covered in this document. However, the financial powers of approval of proposals and other issues shall be governed as per provision made in the Delegation of Power (DoP).

3. PRIMARY CONSIDERATIONS (OBJECTIVE)

- 3.1.** Award and execution of contracts for Procurement will be generally guided by the following primary considerations:
- (i) To make available the required goods, works and services in the right quality, at the right time and at competitive price, so as to obtain the optimum value for each unit of expenditure.
 - (ii) Economy and efficiency in execution of the project, including the procurement of goods, works and services in question.
 - (iii) To encourage the development of local, domestic contracting and manufacturing industries/agencies as far as possible.
 - (iv) Transparency, fairness and equality in the procurement process with due regard to timelines.
 - (v) To prevent corrupt and fraudulent practices.
 - (vi) To make optimum use of technology particularly IT and IT enabled Services (ITeS) for increased efficiency, effectiveness and transparency.
- 3.2.** Actions by all concerned officials of MPPTCL towards award of Contracts and their execution shall be ethical, transparent and fair, in MPPTCL's interest and shall be based on facts presented and circumstances prevailing. Any failure will be dealt with appropriately by the Management.
- 3.3.** Bidders, Suppliers, Contractors, Agencies etc. associated with the procurement shall observe the highest ethical standards and integrity in competing for and execution of contracts.

4. MODIFICATION/ADDITION TO THE POLICY

- 4.1.** Modifications/additions to the policy aspects of this document, before or after the review, shall be incorporated with the approval of the Board of Directors of MPPTCL.

- 4.2. An updated version, incorporating all amendments, shall be compiled by the Procurement department and hoisted on the website of MPPTCL.
- 4.3. Pursuant to the adoption of this Policy and its amendments, necessary changes shall be made in the Procurement Manual and Bidding Documents to align the same in line with the Policy.

5. DETAILED PROCUREMENT MANUAL & STANDARD BIDDING DOCUMENT

- 5.1. A detailed document for procurement policy and procedure termed as "Procurement Manual-2020" based on the guidelines provided here, specifying all related terms and conditions in detail, will be prepared for procurement of goods and awarding contracts. Changes, if required in the "Procurement Manual-2020" will be made keeping in view the Policy with the approval of Managing Director.
- 5.2. Generally, there will be Standard Bidding Document (SBD) to be adopted for supply tenders and turnkey tenders. Standardization of Bidding Documents will help in finalizing the bidding documents required for a specific package at the shortest possible time, by making minor modifications in the standardized documents. The SBDs for small value procurements will be simplified and will have only essential clauses. The SBD clauses will be generally in line with the SBDs of the World Bank/ADB/KFW/JICA with suitable changes.
- 5.3. Procurement manual and SBD may be hosted on company's website.

6. SYSTEM OF PROCUREMENT

6.1. Open Tender Invitation

- 6.1.1. All tendering will be done on e-procurement portal. At present e-procurement portal of GoMP is being used for this purpose. Open tender methodology will be adopted for all High value goods/works/services procurement. The limiting value will be defined in Procurement manual. Single Stage Two Envelope (SSTE) will be the preferred process of bidding, wherein the price bid (second envelope) of only qualified bidders will be opened.

For any exemption, approval of MD for central procurement and of ED/CE (Procurement) for field set up shall be required.

The invitation for open tender will be adequately publicized through press advertisements in newspapers MPPTCL's website and corresponding portal for e-procurement. Copy of notices may be sent to prospective bidders through e-mail etc.

6.2. Single Source Procurement

6.2.1. Under Single Source Procurement, the procurement will be undertaken from a selected source only and will be considered as single tender for the purpose of Delegation of Powers.

6.2.2. Single source procurement will be done for the items which are of proprietary nature and obtainable only from one source.

6.3. Procurement through e-Commerce Portals

6.3.1. Procurement will be preferred and executed through Government e-Market place (GeM) portal as per Govt. Policy in vogue for the items which are available through GEM portal.

6.3.2. At present procurement through other e-commerce Portals is not being done. In future if such procurement is required to be done, the same will be done for items not available in GeM based on guidelines after incorporating suitable provision in the Procurement Manual.

6.4. Sundry Procurement/Procurement through Shopping/ Request for Quotations and Spot Purchase.

6.4.1. Sundry Procurement/Procurement through Shopping/ Request for quotations and spot purchase will normally be adopted for procurement of low value, office consumables, off-the shelf branded items/ consumer durables etc. and any goods or works or services which are urgently required for maintenance or emergency repairs.

6.4.2. As a matter of general guidelines, spot quotations will be collected preferably from three or more parties. In case the quotations are not forthcoming, order may be placed by authorized officer/committee on the party who, in the opinion of the committee, has indicated most reasonable price.

6.4.3. Spot quotation collection can be adopted as a special case and on specific approval wherein the actual reason for adopting the methodology is clearly brought out for the value indicated in procurement manual.

6.5. Restoration work

For restoration work of transmission lines where towers are collapsed and similar nature works, emergency nature works and in natural disasters, the work may be awarded to an existing contractor who is carrying out work in that area or to a past contractor on prices prevailing as per recent contract allowing reasonable mobilization charges.

7. TYPES OF PROCUREMENTS

7.1. Supply Contracts(For Goods):

- (i) For procurement of goods /equipments /materials for as transmission line and substation like Towers, Conductors, transformers, CBs, CTs etc. required for system strengthening including capital works, capacity augmentation and renovation works and also for R&M of EHV substations, Transmission Lines, Transmission facilities.
- (ii) For other items of administrative nature (e.g. office furniture, equipments, fixtures, fittings, stationary consumables, computer peripherals etc.).

7.2. Works Contracts (Civil and Erection):

Procurement of works for development of land, construction of buildings or structures, civil, structural and mechanical fabrication, foundation construction, erection/installation for commissioning of EHV substations, transmission lines and associated equipments and accessories etc.

7.3. Turnkey Contracts:

A turnkey contract is a mix of goods, works and services contract. Normally turnkey contract be invited based on estimated cost of Package worked out on the basis of approved SOR of MPPTCL and bidder will be required to quote his offered prices as percentage Above/Below/At-par of estimated price. For turnkey works for which activities of supply and construction work are not covered in SOR e.g. GIS substation, Transmission line on Monopole or cable etc, tenders on item wise rate may be invited.

The responsibility of the contractor under turnkey contract will include supplying the required goods, works and services, machinery, equipment etc. needed for the system; assembling, installing and erecting the same at site as needed; commissioning the system to meet the required output etc., as specified in the Bid documents.

The substations and its associated transmission lines where land for substation is not finalized/or under finalization may also be included in turnkey Bids and contract awarded to save time and price rise due to tendering after finalization of land. However, provision for rescheduling of completion period based on handing over of site will be made in Bid. In case work is held up for longer period (say beyond original completion as per Bid), the work may be delinked or contract may be terminated without any liability on either side.

7.4. Service contracts

7.4.1. Erection Contracts

The erection work of small transmission lines, feeder bays and augmentation works of substations may be awarded by field setup for which equipments and materials are provided by MPPTCL to the erection contractor. These works also cover survey, foundation, tower erection and stringing work in case of transmission lines and civil, structure and equipment erection work in substations for which piecemeal contracts are awarded.

7.4.2. Maintenance Contracts

The equipments and machinery need proper maintenance for trouble free service. For this purpose, the user department at field setup may enter into maintenance contract for specified period subsequently after the expiry of the warranty period.

Maintenance contract may be entered into either with the manufacturer/ Supplier of the goods or with a competent and eligible firm authorized by manufacturer/ Supplier.

7.4.3. Consultancy Contract

The contracts awarded for hiring the professional services of consultants for services like load flow studies, services of auditors, third party inspection etc. to an individual, consultancy firm or organization will be called as Consultancy Contract.

The contract will shall specify the terms of reference of these consultants, deliverables/ reports required to be submitted by the consultants, terms of payment related to achievement of milestones/ submission of reports and other general terms and conditions of the contract.

7.4.4. Rate Contracts

Rate Contracts may be entered into in the following cases:

- (i) Commonly used goods or services needed on recurring basis.
- (ii) Goods or services for which prices are likely to be stable or where Rate Contracts could be finalized with provision of price variation to account for variation in the prices of raw material, labour etc.
- (iii) Goods or services for which Rate Contract is convenient to operate.

7.4.5. Special Nature of contracts:

There are some special nature of contracts like TAMS (Total Asset Management System) Centralized Project, Design and Management Software, Works related to Modern Technologies etc. Bids for such contracts are to be invited on QCBS (Quality and Cost based Selection) system for which marking will be decided by a Committee comprising of at least 4 (four) members from Procurement, Finance, Planning and field setup.

7.5. Repeat/ Extension Orders for supply

Repeat orders or Extension orders may be placed against previous orders placed on Open tender/ Limited tender without further going through the normal tendering procedures, as per the DoP. After recording the reasons leading to placement of repeat order, the proposal for repeat orders may be considered on basis of the following:

- i. The Repeat order will be placed within 12 months of the placement of the original order at the same price;
- ii. In case a new Bid has been invited, and the price received in the new Bid is found to be lower, the balance supply against repeat order will be obtained on lowest price received in the new Bid.
- iii. The approving authority for the Repeat /extension order shall be the authority in whose powers the original value plus the value for the extension order falls with reference to DoP.
- iv. For placing repeat/extension order, the performance of the vendor must be satisfactory.

8. BID PREPARATION & SUBMISSION OF BID

8.1. For the preparation and submission of bids, a reasonable period will be allowed. The reasonability will depend on the circumstances governing the procurement in question including its magnitude and complexity.

8.2. The period of submission of bids will normally be kept as 45 days for tenders having estimated cost upto Rs. 75 Crore and 60 days for tenders having estimated cost above Rs. 75 Crore. Wherever necessitated, the submission period can be reduced but in any case not less than 21 days, based on approval from MD for central procurement and ED/CE (Procurement) for field set up.

9. EARNEST MONEY DEPOSIT

Earnest Money Deposit will normally be 2% of the estimated cost including GST and rounded off on higher side. EMD exemptions be considered for some special cases like Government owned Agencies, SSI, registered with District Industries Centre and Enterprises registered with National Small Industries Corporation (NSIC).

10. COST ESTIMATE FOR TENDERING

- 10.1.** While preparing the cost Estimate for all regular/repetitive project, the cost with and without GST rates will be calculated which will help in evaluating the Bids with clarity and Transparency. The NIT Cost Estimate will be on the basis of approved Schedule of Rates (SOR) including applicable GST.
- 10.2.** For Cost Estimate in respect of civil and infrastructure works, wherever appropriate and possible, PWD Schedule of rates may be considered i.e. latest MPPWD Schedule of Rates updated with cost indices as published by MPPWD.
- 10.3.** For other procurements or the items which are not covered either in SOR of MPPWD or SOR of MPPTCL and for special works like Renovation-Modernization of EHV Substations, tower strengthening, repair works, line diversion works etc., the Cost Estimate will be prepared based on last procurement price or rates based on budgetary quotations. In case of new work/item/activity which is of small value and whose prices are not available in regular awards, budgetary quotations may not be necessary and an engineering estimate for such works/ item/activity may be worked out.
- 10.4.** The SOR will be based on the price related data available for procurement of similar items in the past including similar turnkey contracts awarded and will be updated regularly preferably every year using the prices as may be available during the intervening period based on bids opened or from other sources.

11. QUALIFICATION REQUIREMENT OF BIDDERS

- 11.1.** The purpose of Qualification Requirement (QR) is to identify such bidders who have required capability and experience of successful delivering the required Goods/Services to be procured. For all tenders except tenders invited on QCBS system, the QR will be drawn on pass/fail criteria and in such a manner to enable adequate participation of the bidders to the extent possible and to encourage indigenous participation. Merely meeting the pass/fail criteria specified in the QR will not entitle a bidder for award of contract.
- 11.2.** All entities registered OR incorporated under the Companies Act of India, firms, consultants, except those with whom business is banned by successor companies of MPSEB will be eligible to participate in the Tenders. For equipments, bids will be called from manufacturers. For equipments for which manufacturers are not submitting bid directly, Authorised representatives/Traders will be allowed to participate in the Bid.
- 11.3.** For Supply Tenders, the Technical Experience criteria will have provision of General Experience, Supply capacity and past performance of equipments/ materials.

- 11.4.** For Turnkey Tenders, the Technical Experience criteria will have provision of General experience, Specific Experience criteria, Criteria for contracts of Similar Size to ensure contract handling capacity and performance criteria.
- 11.5.** The financial criteria for all tenders will have provision for net worth, Minimum Average Annual Turnover, Working Capital in case of Supply tenders and Liquid Assets for Turnkey contracts. The evaluation will be based on Audited Financial Statements OR certificate of Chartered Accountant. In respect of tenders invited to meet special requirement like procurement of design of substation structures/ towers, emergency works, load flow studies, third part inspection etc., the financial criteria may be exempted on the basis of approval from MD.
- 11.6.** The pass/fail criteria of the QR, is to be met on the originally scheduled date for opening of bids/tenders/applications/proposals except otherwise specified.
- 11.7.** The QR for sub-vendors/sub-contractors/associates (if applicable) that is not included in the QR for the bidder, will be included in the bidding document. Such QR will include the General experience, Supply capacity and performance criteria. Further, the proposed Sub-Contractor/Sub-Vendor will have to meet the QR as on the date of proposal. For sub-contractors for construction activities like foundation, erection, stringing, civil work etc. the QR will include General experience and experience in key activities.
- 11.8.** In case the QR data/documents of the bidders for QR compliance relate to MPPTCL's projects or the information is already available with MPPTCL's, the same maybe considered for the bidder's QR compliance whether or not declared in the bid.

12. PARTICIPATION IN MORE THAN ONE BID

When a number of similar turnkey tenders are invited in a short span then suitable provision of cumulative evaluation of qualification criteria will be specified in the tender document. The cumulative evaluation will cover Minimum Average Annual Turnover, Liquid Assets and Specific Experience criteria of technical experience. The participating Bidder will have to meet cumulative requirement of qualification criteria for becoming eligible for the number of bids in which participated.

The bidder will have to give preference to the bids in case of participation in more than one bid which will be considered for the purpose of considering the bidder responsive in more than one Bid.

Suitable other requirements like monthly current contract commitment or contract execution capacity etc. be incorporated in the turnkey tenders to avoid piling up of contracts with single contractor who does not have capacity to execute many contracts.

13. BIDDING DOCUMENTS AND GENERAL CONDITIONS

The fee charged for the bidding documents will be reasonable. Bidding documents will be non-transferable. References to brand names, catalog numbers, or similar classifications be avoided.

If it is necessary to quote a brand name or catalog number of a particular manufacturer to clarify an otherwise incomplete specification, the words "or equivalent" will be added after such reference.

13.1. Pricing

Unless otherwise specified in the bid, bidders will quote for the entire plant and services on a "single responsibility basis" such that the total bid price cover all the Contractor's obligations mentioned in or to be reasonably inferred from the bidding document in respect of design, manufacture, including procurement and subcontracting (if any), delivery, construction, installation, commissioning and completion of the plant.

13.2. Price Adjustment

Price adjustment provisions will be made for all supply tenders whenever formula and published indices for the same are available. The formulae for price adjustment will be generally in line with the formulae suggested by IEEMA or by other recognized agencies. The price variation will not be applicable on component of price paid as advance.

13.3. Terms and Methods of Payment

- (i) In case of turnkey contracts, payment to the Contractor will be made through R.A. Bills. Bills for payment in respect of **Plant consumed** and work component complete in all respect applicable GST will be eligible and will be paid after deduction of Retention amount and adjustment of Advance, if availed by the contractor.
- (ii) In case of supply contracts, 100% payment will be made on completion of 30 days from the date of receipt of material as recorded in Material Receipt Certificate (MRC)/GRN on submission of valid claims complete in all respect. However, in case of some equipments (Power Transformers, circuit breakers etc.) specified amount (normally 5% or 10%) will be retained for verification/successful commissioning.
- (iii) The Contractor will be allowed interest-bearing advance against advance payment guarantee. This advance will be adjusted on prorate basis from each RA bill along with interest thereon chargeable at pre-specified rate. However beyond contractual completion period/extended period (without penalty), interest will be recovered @2% per month.
- (iv) All Payments (except advance, retention, refund/reimbursement) will be made on completion of a period of 30 days from the date of submission of valid claim/ bills complete in all respect. The advance

will be released within seven days from the date of submission of valid claim complete in all respect. The retention /refund/ reimbursement bills have due date as immediate. Price variation bills will be paid on completion of 30 days from the date of submission of valid claim complete in all respect.

13.4. Performance Security

The Contract Performance security will be 10% of the Contract price including taxes and will be submitter immediately after placement of contract. In case of Contracts for works/civil works and Site packages, performance security and retention money may be a percentage of each periodic payment to be held as Performance security until it reaches 10% of the contract price or a combination of both i.e. Contract Performance Guarantees of a specified percentage and balance to be held as PG retention money from each of the periodic payment.

Failure to submit the Performance Security will constitute sufficient grounds for the annulment of the award and forfeiture of the Bid Security.

13.5. Liquidated Damages

Provisions for Liquidated Damages (LD) for delay, in an appropriate amount (upto 10% of the Contract price) both in case of Turnkey Contracts and Supply Contracts will be provided.

In case turnkey contracts, the LD will be applicable on full value of work however if work is not fully completed but commissioned within contractual completion period then penalty for completion of remaining works will be levied on contract value of balance work.

13.6. Quantity Variation in Turnkey Works

A provision will be made in the Bid documents that MPPTCL reserves the right to increase or decrease the scope of contract up to 15% (Fifteen percent only) of total contract value and consequent change in the quantity of Plant & installation services specified without any change in unit price or other terms & conditions during the execution of the contract.

14. EVALUATION OF BIDS

- (i) The evaluation of prices will be done on item wise basis or package cost basis including taxes in case of supply tenders. In case of turnkey tenders, evaluation will be done on the basis of percentage Above/Below/At par as quoted by the bidder. In case of turnkey tender invited on item rate basis, evaluation will be done on package cost basis including taxes. In case of QCBS tenders, the evaluation will be done in accordance with provision made in RFP/Bid.

In case turnkey tenders and the supply tenders invited on package cost basis the comparison will be done only between total recommended price and the total cost estimate. Price of individual items will not be compared for the above purposes.

- (ii) As a matter of general policy, the contract will not be awarded to any bidder, other than the one whose bid has been determined as the lowest evaluated techno-commercially responsive and who is considered to have the capacity and capability to perform the contract under a particular bidding process. In case for some reason, other than reasons of fraud and corruption including misrepresentation, the lowest evaluated bid cannot be accepted, the bidding process will be annulled and fresh bidding will be resorted to. In pursuance to this policy during the course of bid evaluation, the responsiveness of bids and acceptability of the bidder for award of contract will be ensured before opening of price bid under single stage two envelop process.
- (iii) For evaluation and award of high value tenders, two committees shall be constituted. First committee will be Tender Evaluation committee comprising of two officers from O/o ED/CE (Procurement), one officer from user department and one officer from Finance. The Tender Evaluation Committee will carry out processing of Tenders and submit proposals related to opening of price bids and also award of contract to high level committee comprising of ED/CE (Procurement), ED/CE of user department and CFO for recommendation.

15. POST BID DISCUSSIONS (PBD)/ SPECIFIC AGREEMENTS AND CONTRACT AWARD

- 15.1.** Normally, once the recommendation for award has been approved by the Competent Authority, the award shall be placed on the successful bidder. Sometimes, resolution of technical and commercial issues including scheduling and tie up may be required with the successful bidder, as may have been identified in the approved Evaluation Report/directed by Competent Authority. In cases where tie ups do not involve any financial implication, Specific Agreements (SA), may be signed with the bidder, after placement of award, which shall be made a part of the Contract Agreement signed with the bidder.
- 15.2.** Only in cases where resolution of issues and tie-ups are of significant nature including issues involving financial implication, PBD may be held with the successful bidder before placement of award.
- 15.3.** Normally, the Contract Price, except where negotiations are involved, after PBD shall be the same as approved by the Competent Authority. However, if there is a difference, the reasons for the same shall be specifically brought out in the proposal for approval of PBD. In no case, any increase in Contract Price or any other routine tie-up with

additional financial implication on MPPTCL shall be permitted during PBD.

15.4. Issuance of letter of intent & Signing of Contract Agreement / Contract Performance Guarantee

15.4.1. The issuance of letter of intent (LOI) conveying inter-alia acceptance of the offer/proposal/bid of the successful bidder will constitute formation of the Contract. The same will be specifically mentioned therein.

15.4.2. Referring to the LOI, the successful bidder will arrange the necessary BGs including Contract Performance Guarantee for which he will be advised through LOI.

15.4.3. Since the LOI conveys the acceptance of a Bidder's proposal/offer/bid after mutually agreed tie-ups/resolutions during PBD, no further acceptance thereof by the Bidder will be essential, except in case of counteroffers. Accordingly, only acknowledgement of the Bidder's authorized signatory will be sought. Signing of Contract Agreement between MPPTCL and the successful bidder will be either in MPPTCL's Office or in emergency by obtaining bidder's signature on the copy sent to him.

16. POST AWARD

16.1. Post-award activities cover all subsequent actions after award of a contract required for actual execution, right from obtaining CPG(Contract Performance Guarantee) to completion/commissioning of 'Works/Supplies/Services' as per scope covered therein including closing of the Contract. These activities also include resolution/ dealing with disputes, if any, raised by either party during or after the implementation of the Contract, and termination/cancellation/foreclosure of the contract, wherever necessitated. The overall responsibility will be of Order Placing Authority which will include Signing of contract agreement between MPPTCL and Contractor, Obtaining CPG and others securities, release of initial advance against BG, PAC & Other certificates, Approval of drawings and sub-vendors, sub-contractors for construction work, arranging type tests, technical approval for variation etc. all actions during implementation stage will be strictly in line with the provisions of DOP and this Policy. If there is a contradiction between the provisions of DOP and that of Policy, the former will prevail till such time the later is modified.

16.2. Physical execution of work at site will be through field setup who will ensure implementation in line with the related provisions of the contract, within the specified schedule. However, necessary assistance will be extended to the site office by all concerned depts. /offices in Corporate Centre and Regional Office, in the areas under their responsibility, towards proper & timely execution of the contract. They will resolve all field related issues including ROW problems.

- 16.3.** Variations/deviations in the contract may be encountered during its implementation stage, necessitating revision in contract price. The site office will review the actual quantities periodically and proposal for revision of contract will be submitted promptly.
- 16.4.** The technical approval for variation in respect of quantities provided in the Contract and / or requirement of any new items or change in specifications/ make of any item / equipment because of engineering requirements will be approved by planning section revising the estimate, as and when the variations/ deviations are identified. Notwithstanding the fact that time is the essence of the contract, a number of cases of delay in completion of projects are encountered. Though the reasons for delay are diverse, the contracts finally get completed beyond the contract completion period. In order to keep the contract alive, it is also necessary that extension of time is granted to the contractor for the extended period. Normally efforts will be made to extend the completion time period prior to expiry of completion period as per contract for reasons not attributable to the contractor. In case there is delay in handing over clear possession of site the completion time will be suitably rescheduled. In other cases, the request for extension of completion period will be submitted by the contractor to site office who will recommend the case based on the merit to a HOD committee constituted to examine and recommend the time extension cases and based on the recommendation of the committee, the approval of competent authority will be obtained by Order Placing Authority and convey to all concerned.
- 16.5.** Immediately upon receipt of a written communication from the Contractor intimating that the works have been physically completed as per technical specifications or are nearing completion (within a period not exceeding 15 days), the Project Manager of MPPTCL site will take further necessary action, depending upon the nature of 'works' under a particular Contract, towards taking over.
- 16.6.** Disputes shall be referred to a DB for decision. The Parties shall appoint a DB in case of a dispute. The DB shall comprise, as stated in the Conditions of the contract. Unless settled amicably, any dispute in respect of which the DB's decision (if any) has not become final and binding, shall be finally settled by arbitration. The arbitration shall be conducted in accordance with the provisions of the Indian Arbitration and Conciliation Act, 1996 or any statutory modification thereof. The venue of arbitration shall be Jabalpur.
- 16.7.** A contract is said to be completed in all respects only after successful completion of the Warranty Period. A contract will therefore be considered to be closed only after the Warranty Period is successfully completed and SD of the contractor is returned/discharged. All efforts need to be made to ensure timely closing of various contracts under a project. As a matter of policy, while all the contracts under a project will be closed immediately after the expiry of defect liability period/warranty period of respective contracts, various activities pertaining to contract closing, except release of Contract Performance Guarantee/Security

Deposit, will generally be completed within 06(Six) months of the completion of the respective contracts.

- 16.8.** Once the 'Works' are completed, it is absolutely necessary that proper documentation of all manuals, drawings, test certificates, various approvals, amendment and other relevant papers is made so that difficulty in carrying out maintenance is not encountered. For equipments, the supplier/contractor is required to submit a prescribed no. of sets of instruction manuals (for installation and O&M), approved erection drawing, other technical literatures and test certificates to ED/CE(Procurement). Similarly for Transmission Lines, Tower Schedule, Bill of materials for tower quantities, sag tension charts, H/W fittings drawings, test certificates (if any), topo sheets, detail survey reports, soil investigation reports, foundation classifications, tower erection drawings, route profile, Insulator drawings, Tower spotting data, foundation drawings, shop floor drawings for tower etc. are required to be retained by the site.

17. DEBARRING

- 17.1.** If it is concluded, that the bidder has resorted to unethical practices interalia including mis-representation of facts, submission of false and /or forged details/ documents/ declaration during the bidding, the bidder may be debarred from the participation in MPPTCL tenders for period of 1 to 3 years, as considered appropriate and its Security shall be forfeited besides taking other actions.
- 17.2.** After award of contract, if it is concluded, that the bidder has resorted to unethical practices, in such an event, the MPPTCL without prejudice to its any other rights and remedies, forfeit and appropriate performance security, as mutually agreed genuine pre estimated compensation and damages payable to MPPTCL for, inter-alia time, cost and effort of the MPPTCL in regard to the bidding process besides termination of contract and debarring of the form for a period of 1 to 3 years.

18. SETTLEMENT OF RISK AND COST AMOUNT

In case the contract is terminated and works are carried out on the risk of contractor, the risk and cost amount will be settled on the following basis:-

- 18.1.** The quantities to be considered for working out the risk and cost amount will be the actual quantity required for execution of only those work(s) which were covered in the original contract.
- 18.2.** If the contract is awarded on total package cost basis, including various works, the risk and cost amount will be worked out on total package cost basis, considering both positive and negative values of total of each price schedule of each work.

- 18.3.** For other issues related to specific contracts, a committee comprising of HOD procurement, EHT-Construction and Finance will take decision and the same will be got approved from MD.

19. DISTRIBUTION OF QUANTITY AMONGST ELIGIBLE BIDDERS

Distribution of quantity amongst eligible bidders other than the L-1 can be done in cases where suitable provisions have been made in the bid document of and whose quoted prices are within price consideration zone of 10% above lowest acceptable rate. The distribution of quantity will be done as per the guidelines prescribed in the Procurement Manual. While offering the quantity to other bidders, counter offer of lowest prices will be offered in such a way that overall FORD prices remains same.
