



TECHNICAL POLICY ORDER - 2

Guidelines for Electronic Reverse Auction for Works, Stores and Service Contracts:

A. Tenders for Works, Services and Stores Contracts

1.0 Selection criteria for tender cases of Works, Stores and Services proposed through Reverse Auction (e-RA) route

- a) Purchase through Reverse Auction shall be the preferred method for procurement for Stores tenders valued more than Re. 10 Cr. in each case and for works and Services for tender's valued more than Rs. 50 Cr, in each case.
- b) The process of procurement through reverse auction shall be followed in the following cases:
 1. Where at least 03 RDSO approved sources exists.
 2. The material/services procured are sensitive in nature or their cost changes fast with the market like internet bandwidth, IT equipments etc.
- c) Financial Bids in single currency/parameter only shall be allowed.
- d) In case reverse auction is not adopted in RailTel in some of the cases then approval of ED in region and concerned Director in Corporate Office is required duly vetted by finance.
- e) RailTel may adopt reverse auction process for the cases, which do not satisfy the selection criteria as mentioned above, with the approval of ED in the region and concerned Director in CO duly vetted by finance.

2.0 Procedure for award of contracts through Reverse Auctions

- a) The procedure discussed herein shall be fully implemented through e-portal of TCIL or any other portal approved by RailTel.
- b) Conduct and reporting of Reverse Auction shall be as per Annexure I to this letter.
- c) Each tender should clearly specify essential technical and commercial parameters in a transparent manner. No deviation to such essential Technical & Commercial conditions shall be permitted to the vendors in the electronic bid form.

2.1 Technical Bid and Initial Price Offer.

- a)
 - i) In case of Works and Services related tenders E -RA shall be adopted only for those cases where evaluation is on the basis of single parameter/currency.
 - ii) In case of Stores Tenders procuring authority shall decide the bid evaluation criteria in the tender itself, i.e. whether the evaluation shall be item wise, consignee wise or overall tender value wise.
- b) i) Bidder shall be simultaneously required to electronically submit a Technical &

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RailTel Corporation of India Ltd. (A Government of India Undertaking)

CIN : U64202DL2000GOI107905

Commercial Bid and Initial Price Offer.

- ii) In case of Works and Services tenders, offers found eligible for award of contract/meeting eligibility criteria shall be categorized as Qualified for Award of Contract for the purpose of e-RA.
- iii) In case of Stores tenders, offers found eligible for bulk order shall be categorized as Qualified for Bulk Order for the purpose of RA and offers found eligible for Developmental order shall be categorized as Qualified for Development Order for the purpose of RA.
- c) Offers not complying with essential technical & commercial requirements of the tender shall be declared as Ineligible for award of contract.
- d) Technical & Commercial evaluation of bids shall be done by a Tender Committee, as per SoP, and the estimated value of tender. Recommendations of Tender Committee shall be considered by Tender Accepting Authority, as per SoP.
- e) Initial Price Offer of only those bidders categorized as Qualified for Award of contract in case of Works and Services Tenders shall be opened and tabulated by system separately. In case of Stores tenders Initial Price Offer of only those bidders categorized as Qualified for Developmental Order or Qualified for Bulk Order, shall be opened and tabulated by system separately, category wise. Extant instructions for electronic tabulation shall apply for tabulation of Initial Price Offers.

2.2 Financial Bid-

Financial Bid shall comprise of Final Price Offer obtained through Reverse Auction. Following conditions and procedure shall be followed in selection of bidders for conduct of Reverse Auction'

- a) Selection of vendors for Reverse Auction for award of Contract in Works and Services tenders and bulk ordering in Stores tenders:

Number of tenderers Qualified for Award of contract/ Bulk Order	Number of tenderers to be selected for Reverse Auction	Remarks
< 3	NIL*	The bids disallowed from participating in the Reverse Auction shall be the highest bidder(s) in the tabulation of Initial Price Offer.
3 to 6	3	In case the highest bidders quote the same rate, the Initial Price Offer received last, as per time log of TCIL or any other e-platform approved by RailTel, shall be removed first, on the principle of last in first out, by TCIL or any other e-platform approved by RailTel.
More than 6	50% of Vendors Qualified for Bulk Order/ award of contract (rounded off to next higher integer).	

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Note:

- i. *If the number of tenderers qualified for Bulk Order / Award of Contract is less than 3, RA shall not be done and tender may be decided on the basis of Initial Price Offer(s).
 - ii. In case of Stores tenders, selection of vendors for Reverse Auction for developmental ordering. All bids found Qualified for Developmental Order shall participate in Reverse Auction for developmental orders.
 - iii. MSE Criteria (Not applicable for Works): All MSEs (Micro & Small Enterprises) found Qualified for Bulk Order/Award of Contract but could not be selected for Reverse Auction as per criteria stipulated in para 2.2 a. above, but are within the range of 15% of lowest Initial Price Bid shall be permitted to participate in the Reverse Auction, irrespective of their inter-se ranking on the basis of Initial Price Bid. Such MSEs shall be over and above the number of vendors selected for Reverse Auction, as per para 2.2 a. In case of Stores tenders, lowest initial price bid shall mean lowest initial price bid of vendor qualified for bulk order.
 - iv. Make in India criteria: All bidders eligible for benefits under Public Procurement (Preference to Make in India) Order 2017, found Qualified for Bulk Order/Award of Contract and are within the specified range of price preference of lowest Initial Price Bid shall be permitted to participate in the Reverse Auction, irrespective of their inter- se ranking on the basis of Initial Price Bid. Such bidders shall be over and above the number of vendors selected for Reverse Auction, as per para 2.2 a.
- b). During Reverse Auction process, bidders shall not be allowed to bid a rate higher than the lowest Initial Price Offer.
- 2.3
 - i) Reverse Auction among bids categorized as qualified for award of contract in case of works and services tenders shall be conducted on e-platform of TCIL or any other e-portal approved by RailTel. Bidders shall be able to see the auction screens.
 - ii) Reverse Auction among bids categorized as Qualified for Developmental Order and Qualified for Bulk Order shall be conducted concurrently on e-portal of TCIL or any other e-platform approved by RailTel Bidders shall only be able to see the auction screens relevant to them for each category. Purchaser shall be permitted to see all the auction screens for both categories on line.
 - 2.4 After obtaining the final bids of the Reverse Auction, tenders shall be finalized as per existing policy (including price preference to MSEs and Make in India Order, 2017, (wherever applicable) and in case of Stores tenders, procedures based on the eligibility and quantity distribution criteria, as pre-defined in the tender document. All the relevant policies of Government of India at the relevant time shall be applicable.
 - 2.5 The level of Tender Committee to consider the Final Price Offers shall be determined on the basis of lowest Initial Price Offer of bid Qualified for award of contract in case of Works and services tenders and qualified for Bulk Order in case of Stores tenders,



as opened prior to Reverse Auction. In case the level of Tender Committee which evaluated technical & commercial bids as per para 2.1(d) was higher than the level of TC competent to consider lowest Initial Price Offer of bid Qualified for award of contract/Bulk Order, the higher level TC shall continue to finalize such tender cases.

- 3.0 Considering the fact that execution of works, delivery of services and availability of items is of paramount importance, RailTel may adopt tendering process through other appropriate methods to meet the requirement.
- 4.0 The above guidelines will apply prospectively, i.e. for tenders published subsequent to roll out of Reverse Auction module, incorporating above policy, by CRIS/TCIL/CPP
- 5.0 RailTel shall incorporate appropriate conditions of reverse auction in all the relevant tender documents.

B. Tender for Earning Contracts


Competent authority has decided that all earnings tenders shall henceforth be done using electronic mode only (E-Tendering) and manual tendering may be discontinued. Further, for all Earning Tenders, e-auction method may be followed. This shall however apply only after successful proving out of appropriate module for Earning Contracts by CRIS/ e-portal used by RailTel. Any Earning Tender to be done manually after roll out of Earning Tender module by CRIS/ e-portal used by RailTel shall require personal approval of CMD.

- C. RailTel will follow the instructions of Railway Board for reverse auction and will use e-portal of TCIL or any other e-portal approved by RailTel.

D. Other Instructions

1. All the tenders will be done on e-portal by RailTel (since some of the regions are not having facility/expertise for e-tendering so they should be given one-month time for preparation and doing the e-tendering after one month from the date of issue of this letter.
2. Two Packet Single Stage system of tendering is to be followed for
 - a. Stores — Through e-R.A. tenders above Rs 10 Crore.
 - b. Works — For all tenders above Rs 10 Crore.
 - c. Services — For tenders above Rs 50 lakh.
 - d. Earnings — For all tenders.
3. MSME criteria of considering offers from MSEs quoting within L-1 * 15% for 20% of NPQ is to be followed for all Goods and Services tenders.
4. Make in India Preference order is to be followed for all Goods, Services and Works tenders wherever applicable as per guidelines. Copies of the Order No. P-45021/2/201(-B.E.-II dated IN-06-2017 and RB letter no. 2015/IIS(G)/779/5 dt. 27.12.2017 are enclosed as Annexure-11 & III for ready reference.

5. Withdrawal of L-1 Offer: In case of withdrawal of offer of L- 1 bidder, the tender need not necessarily be discharged in case of tenders for procurement of Goods and Services (Other than Consultancy) subject to the conditions mentioned in RB letter no. 2017/Trans/01/Policy dt. 17-11-2017 being fulfilled. (Content of letter in Annexure-II)


(Jagdeep Singh) 23/11/19

Executive Director/Operations

Executive Director/Regional General Managers,
RailTel Corporation of India Ltd.,
Northern Region/New Delhi,
Eastern Region/Kolkata,
Western Region/Mumbai,
Southern Region/Secunderabad.

Copy to:

1. OSD to CMD for kind information for CMD.
2. DPOM, DNPM, DF for kind information.
3. All concerned - Corporate Group Mail.
4. Ms. Sucharita Pradhan/Sr. Manager (PR) - for uploading in RailTel Intranet Site.

Procedure for Conduct and Reporting of R.A.

1. The tendering authority shall solicit bids through an invitation to the electronic Reverse Auction to be published or communicated in accordance with the provisions similar to e-procurement.
2. Convener of the tender committee shall fix the following, on case to case basis, depending upon the nature of item/work/service and complexity of case on hand. These shall be indicated in the tender for e-RA itself.
 - a. Initial e-RA period: This shall be the initial time interval for e-RA. e-RA shall be open for this duration.
 - b. Auto extension period: In case any offer is received in the time period equal to auto extension period before close of initial e-RA period, the e-RA shall be extended for time equal to auto extension period from the time of last bid. There shall be no upper limit on number of auto extensions. When no offer is received in the last auto extension period, e-RA shall close.
 - c. Minimum decrement in percentage of value of the last successful bid.
3. Date and time for start of e-RA shall be communicated to qualified tenderers by the convener after evaluation of the Technical Bids.
4. After submission of Initial Price Bid, tenderers will not be allowed to revise the taxes and other levies.
5. During auction period, identities of the participating tenderers will be kept hidden.
6. Minimum admissible bid value will be last bid value minus minimum decrement as specified by the tendering authority before starting of reverse auction. Starting point for reverse auction shall be the lowest Initial Price Bid of the tenderer eligible for award of contract.
7. After close of the RA, tabulation of last (minimum) bids received from all the tenderers will be generated and made visible to RailTel and participating tenderers.
8. RailTel users can also view the bidding history in chronological order.
9. Bidders not be allowed to withdraw their last offer.
10. L-1 will be defined as the lowest bid obtained after the closure of R.A. session

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for Goods, Works and Services tenders.

11. In case none of the bidder participate in the reverse auction process than the bids will be evaluated as per the initial price bid given by the bidders and the normal tender process as per SOP.

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Ref: Railway Board letter no. 2017/Trans/01/Policy Dated 17.11.17

1. Discharge of tenders in the event of lowest (L1) bidder withdrawing from the procurement process

- (a) There are several instances where tenders have to be discharged and fresh tender invited because of L-1 bidder's withdrawal. Finalization of tenders get delayed. As per the instruction of CVC vide letter No. 98/ORD/1 dated 24.08.2000 the current practice being followed on IR is "if L-1 party backs out, there should be re-tendering in a transparent and fair manner. The authority may in such a situation call for limited or short notice tender, is so justified in the interest of work and take a decision on the basis of lowest tender."
- (b) However, as per para 7.5.11 (i) f of the *Manual for Procurement of Goods 2017 Ministry of Finance, Department of Expenditure Chapter-7*, following procedure is to be adopted for dealing with cases where L-1 bidder withdraws:

"If the bidder, whose bid has been found to be lowest evaluated bid withdraws or whose bid has been accepted, fails to sign the procurement contract as may be required, or fails to provide the security as may be required for the performance of the contract or otherwise withdraws from the procurement process, the Procuring Entity shall cancel the procurement process. Provided that the Procuring Entity, on being satisfied that it is not a case of cartelization and the integrity of the procurement process has been maintained, may, for cogent reasons to be recorded in writing, offer the next successful bidder an opportunity to match the financial bid of the first successful bidder, and if the offer is accepted, award the contract to the next successful bidder at the price bid of the first successful bidder."

It has been decided to follow the latest guidelines of MOF mentioned above in cases of Stores and Services (other than Consultancy) Tenders.

