



COAL INDIA LIMITED
CIVIL ENGINEERING DIVISION
(Regd. Office: Coal Bhawan, Premises No.04-1111, AF-III
Action Area 1A, New Town, Rajarhat, PIN-700 156.
(Corporate Id No.- L23109WB1973GOI028844)
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Ref. No. CIL/CIVIL/192/ 265

Date: 29.07.2016

To,
General Manager(Civil)/ General Manager(CMC)
BCCL Dhanbad, CCL Ranchi, CMPDI Ranchi, ECL Sanctoria, MCL Sambalpur, NCL Singrauli, SECL
Bilaspur, WCL Nagpur, NEC, Margherita

Sub: **Amendments in Manual for Civil Engineering Works (MCEW), Contract Management Manual (CMM) and Guidelines for eprocurement & Reverse Auction for works and Services**

Dear Sir,

Due to some recent cases of quoting abnormally low prices by the bidders during reverse auction, FDs of CIL in their 155th meeting held on 20th July 2016, have agreed for following amendments in MCEW, CMM and Guidelines for eprocurement & Reverse Auction for works and Services.

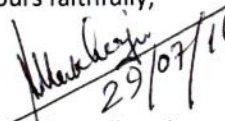
1. **Decrement value:** The reduction shall have to be made as per decrement value or in multiple there on. The maximum seal percentage in one go shall be fixed as 2% over and above existing normal decrement of 0.5% i.e. total 2.5% of start bid price/last quoted price during reverse auction, whichever is lower.
2. **Payment of EMD:** Payment of EMD shall be made through online mode in favour of CIL/Subsidiary companies account only. EMD for CMM tenders would be 1% of Estimated/Annualized value (whichever is less), subject to maximum of Rs. 50.00 lakhs. EMD for Civil tenders would also be 1% of Estimated value, subject to maximum of Rs. 50.00 lakhs.
3. **Penalty:** If the bidder defaults in satisfying Techno-commercial criteria, full EMD will be forfeited.
4. **Breakup of Price:** Bidders shall not be allowed to increase the initial quoted rate of any item while submitting the breakup of price after reverse auction.

The above amendments will be applicable for all the future tenders which are yet to be floated. It may further be noted that point no.1 above (Decrement value) will be applicable for those tenders also which have already been floated but whose reverse auction has not yet taken place.

Conti..2

The details of existing clause vs amended clause of MCEW, CMM and Guidelines for eprocurement & Reverse Auction for works and Services are attached in Annexure-I.

Yours faithfully,


29/07/16
(S Mukhopadhyay)
GM(Civil)/HOD
GM / HOD (Civil)
Civil Engg. Divn.
COAL INDIA LTD.

Copy:

1. CVO, CIL
2. CGM/TS to Chairman, CIL
3. TS to D(T), CIL
4. TS to D(F), CIL
5. CGM(Env), CIL
6. GM(Fin.), CIL
7. GM(MM), CIL
8. GM(System), CIL
9. GM(S&M), CIL
10. GM(EED), CIL
11. HOD(Admin.), CIL
12. HOD (C&F), CIL

Amendments in MCEW, CMM and e-procurement & Reverse Auction guidelines for works and services

SI No.	Clause No.	Existing Provision	Proposed Modification
1	Clause 8 of General guidelines and process flow for tender-Cum-Auction (Page 9)	<p>The decrement value will be 0.5 % of the start bid price with minimum of Rs.1/-, as the system does not have a provision of taking amounts less than Rs.1/- as decrement value. The reduction shall have to be made as per decrement value or in multiple thereof.</p> <p>In order to have ease of submission of reverse auction bid by the bidders, it is suggested that decrement value may be rounded off to nearest value as under :</p> <p>(a) For decrement values up to Rs.10/-, rounding off may be made to nearest rupee.</p> <p>(b) For decrement values from Rs.11/- to Rs.100/-, rounding off may be made to nearest 10.</p> <p>(c) For decrement value from Rs.101/- to Rs.1,000/-, rounding off may be made to nearest 100.</p> <p>(d) For decrement value from Rs.1,001/- to Rs.10,000/-, rounding off may be made to nearest 1000.</p> <p align="center">and so on</p>	<p>The decrement value will be 0.5 % of the start bid price with minimum of Rs.1/-, as the system does not have a provision of taking amounts less than Rs.1/- as decrement value. The reduction shall have to be made as per decrement value or in multiple thereof.</p> <p><u>The maximum seal Percentage will be fixed as 2% of Start bid price / last quoted price during reverse auction, whichever is lower.</u></p> <p>In order to have ease of submission of reverse auction bid by the bidders, it is suggested that decrement value may be rounded off to nearest value as under :</p> <p>(a) For decrement values up to Rs.10/-, rounding off may be made to nearest rupee.</p> <p>(b) For decrement values from Rs.11/- to Rs.100/-, rounding off may be made to nearest 10.</p> <p>(c) For decrement value from Rs.101/- to Rs.1,000/-, rounding off may be made to nearest 100.</p> <p>(d) For decrement value from Rs.1,001/- to Rs.10,000/-, rounding off may be made to nearest 1000.</p> <p align="center">and so on</p>

		<p>For cases where the unit rate is low and quantum of item is huge, if the decrement value in terms of 0.5% works out to be in paise and rounding off to nearest rupee, would be much higher than 0.5% of start bid value, the unit of measurement may be adjusted in such a way so that decrement value may remain in the range of 0.5% or Rs.1/- whichever is higher.</p> <p>For example, Tender for any item, whose unit of measurement is in KG and having low unit rate may be invited in terms of 10 KG or 100 Kg, as may be considered appropriate, as unit of measurement.</p>	<p>For cases where the unit rate is low and quantum of item is huge, if the decrement value in terms of 0.5% works out to be in paise and rounding off to nearest rupee, would be much higher than 0.5% of start bid value, the unit of measurement may be adjusted in such a way so that decrement value may remain in the range of 0.5% or Rs.1/- whichever is higher.</p> <p>For example, Tender for any item, whose unit of measurement is in KG and having low unit rate may be invited in terms of 10 KG or 100 Kg, as may be considered appropriate, as unit of measurement.</p>
2 (a)	<p>Clause 4.4 of procurement guidelines of works and services (Page 23-24)</p>	<p>4.4 The bidder will have an option for submitting EMD through either ONLINE or OFFLINE mode (Only through BG).</p> <p>In Online mode the bidder can make payment of EMD either through net-banking from designated Bank/s or through NEFT/RTGS from any scheduled Bank. In case of payment through net-banking the money will be immediately transferred to CIL/Subsidiary's designated Account. In case of payment through NEFT/RTGS the bidder will have to make payment as per the Challans generated by system on e-Procurement portal and will have to furnish online the UTR Numbers before submission of bid. Bidder will be allowed to submit his/her bid only when the EMD is successfully received in CIL/Subsidiary_account and the information flows from Bank to e-Procurement system.</p>	<p>4.4 The bidder will have to make the payment of EMD through <u>online mode only</u>.</p> <p>In Online mode the bidder can make payment of EMD either through net-banking from designated Bank/s or through NEFT/RTGS from any scheduled Bank. In case of payment through net-banking the money will be immediately transferred to CIL/Subsidiary's designated Account. In case of payment through NEFT/RTGS the bidder will have to make payment as per the Challans generated by system on e-Procurement portal and will have to furnish online the UTR Numbers before submission of bid. Bidder will be allowed to submit his/her bid only when the EMD is successfully received in CIL/Subsidiary_account and the information flows from Bank to e-Procurement system.</p> <p>In case of exemption of EMD the scanned copy of document (attested by notary public) in support of</p>

		<p>In Offline mode the bidder can make payment of EMD in the form of Bank Guarantee (BG) (if applicable) from any scheduled bank. The bidder will furnish all the details online i.e. BG Number, date of issue, expiry date, name of issuing bank and amount etc. regarding EMD. The information provided and documents uploaded by L1 bidder will be evaluated as per relevant clauses. If L1 bidder qualifies all the criteria, he will be asked to submit original BG either in person or by post which must be received in the office of Tender Inviting Authority within 7(seven) working days. If the bidder fails to submit the original BG then bidder will be debarred for 1(year) from participating in future tender of CIL/Subsidiaries.</p> <p>The BG against EMD shall be taken for the tenders where EMD is amounting Rs 5 lakhs or more. In tenders with EMD less than Rs five lakh only online mode of payment shall be enabled.</p> <p>The date of validity of BG shall be mentioned in the NIT and it should counted as Original End date of Submission of Tender + Bid validity Period + 90 days.</p> <p>In case of exemption of EMD the scanned copy of document (attested by notary public) in support of exemption will have to be uploaded by the bidder during bid submission. However, this option is to be enabled only in those cases where the exemption of EMD to some bidders is allowed as per NIT.</p>	<p>exemption will have to be uploaded by the bidder during bid submission. However, this option is to be enabled only in those cases where the exemption of EMD to some bidders is allowed as per NIT.</p>
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		In case of discrepancy between the online submitted information regarding the instruments for EMD and the original BG being submitted by the bidders, the later shall prevail if the instrument is found to be valid on the date of submission of the tender by the bidder and if it does not change the eligibility status of the bidder.	
2(b)	Clause 6.2 (F) of procurement guidelines of works and services (Page 27)	In case of submission of EMD in the form of BG, if L1 bidder fails to submit the original BG within 7(seven) days as per clause 4.4, his bid will be rejected and he shall be debarred for a period of 1(one) year for participating in the future tenders of CIL/Subsidiary.	Deleted
3(a)	Clause 4.6, part-I of MCEW (Page 33-34)	<p>4.06 Earnest Money According to practice in PSUs and Govt. department, Earnest Money is paid by each tenderer to enable the organization / department to ensure that a tenderer does not back out of its tender before its acceptance, or refuse to execute the work after it has been awarded to him. The earnest money is to be deposited in the acceptable form as mentioned hereafter.</p> <p>The Earnest money for tenders should be 1% (one percent) of estimated value of work subject to a maximum of Rs.100lakhs.</p> <p>Earnest money may be deposited in the form of irrevocable Bank Guarantee (from Scheduled Bank/) with validity up to in the prescribed format, where Earnest Money amount exceeds Rs.2,00,000/-. The BG issued by outstation bank shall be operative at its local branch at..... Or branch at</p>	<p>4.06 Earnest Money According to practice in PSUs and Govt. department, Earnest Money is paid by each tenderer to enable the organization / department to ensure that a tenderer does not back out of its tender before its acceptance, or refuse to execute the work after it has been awarded to him. The earnest money is to be deposited in the acceptable form as mentioned hereafter.</p> <p>The Earnest money for tenders should be 1% (one percent) of estimated value of work subject to a maximum of <u>Rs.50 lakhs. This shall be deposited in the manner as described in the procurement guidelines.</u></p> <p>Demand Drafts/Banker's cheque will be acceptable as Earnest Money/ Bid Security for tenders <u>having estimated value below Rs. 2 lakhs.</u></p> <p>The Earnest Money/ Bid Security shall bear no interest.</p>

		<p>.....Banker's Cheques and Demand Drafts will also be acceptable as Earnest Money/ Bid Security.</p> <p>However, for work valued up to Rs.5 lakhs the earnest money may be deposited in cash (subject to a maximum Rupees of five thousand) or in the aforesaid form. The Earnest Money/ Bid Security shall bear no interest.</p> <p>Earnest money received in the form of Banker's Cheques /Bank Draft shall be deposited to the associated Accounts Department. Earnest money to be refunded to the unsuccessful tenderers as per clause 4.06.4.</p> <p>On receipt of Bank Guarantee, an independent reference shall be made to the issuing Bank for confirming the issue of BG. Such confirmation shall be obtained by associate finance of GM for Area works or associate finance dealing with Civil department for Head Quarter works. Such associate finance shall monitor validity of the BG and its timely renewal/encashment. The BG shall be kept under the custody of Area Accounts Deptt. for works related to Area or associate finance dealing with Civil department for Head Quarter works. Finance department shall inform GM(Civil),HoD/SO(Civil) before any action related to renewal/encashment.</p> <p>In case where bid validity is mutually extended, earnest money deposited in the shape of</p>	<p>Earnest money received in the form of Banker's Cheques /Bank Draft shall be deposited to the associated Accounts Department. Earnest money to be refunded to the unsuccessful tenderers.</p>
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		<p>Bank Guarantee by the bidder shall be extended suitably to cover such extension. The responsibility for seeking such extension shall be with the dealing officer dealing such tender.</p> <p>Note: Notice inviting tender shall specifically indicate requirement of BG validity i.e. date up to which BG submitted as Earnest Money shall remain valid.</p> <p>Minimum validity period of BG shall be fixed in the Notice as under</p> <p>If the last date of submission of bid, (first time) if any, is 31:03:2014, the validity of BG submitted shall be for minimum 120+90 days i.e. at least up to 26:10:2014. The notice should clearly spell that validity of bid shall be up to 26-10-2014.</p> <p>However if the last date of submission of bid is up to 31:03:2014 which has been revised/extended to 15-04:2014 due to reasons other than non-availability of three bids, only bids submitted with validity of BG up to 10:11:2014 shall be considered as valid (considering 210 days from 15.04.2014). The notice shall clearly state that validity of bid is required up to 15-04-2014.</p> <p>It is clarified that if, due to non-availability of three bids on</p>	
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		<p>31:03:2014, bid submission has been extended up to 02:04:2014 and then again up to 07:04:2014, all bids submitted with validity of BG up to 26:10:2014 shall be considered as valid irrespective of its date of submission which may be up to 07:04:2014.</p> <p>The above also explains the necessity for mentioning validity of BG in the Notice by the notice inviting authority. The above calculation is based on bid validity for e-tender.</p>	
3(b)	Bid notice, chapter 6 of CMM, page 23	(1% of the annualized value of estimated cost/estimated cost whichever is less, rounded off to next hundred rupees subject to maximum of Rs. 100 lakhs)	(1% of the annualized value of estimated cost/estimated cost whichever is less, rounded off to next hundred rupees subject to maximum of <u>Rs. 50 lakhs</u>).
3(c)	Page 16 of modifications in transport chapter of CMM	<p>Earnest money Rs..... (1% of the annualized estimated cost/estimated cost whichever is less, rounded of to nearest hundred rupees subject to maximum of Rs. 100 lakhs) as Earnest Money/ Bid Security. This is to be deposited in any of the following forms-</p> <p>Certified Cheques/ Demand Drafts drawn in favour of Coalfields Ltd. On any scheduled Bank payable at its branch at</p> <p>Irrevocable Bank Guarantee (from Scheduled Bank/ Branch acceptable to the owner) with minimum validity up to..... in the format given in the Bid Document. Bank Guarantee issued by outstation bank shall be operative at the local branch at.....or at their</p>	<p>Earnest money Rs..... (1% of the annualized estimated cost/estimated cost whichever is less, rounded of to nearest hundred rupees subject to maximum of Rs. 50 lakhs) as Earnest Money/ Bid Security. <u>This shall be deposited in the manner as described in the procurement guidelines.</u></p> <p>The Earnest Money/ Bid Security of the unsuccessful bidder shall be refundable as promptly as possible and shall bear no interest.</p> <p>No Bid will be accepted unless accompanied by requisite Earnest Money Deposit as stated above.</p>

		<p>branch.....(provision of bank guarantee shall be applicable only when earnest money exceeds Rs. 5.0 lakhs)</p> <p>The Earnest Money/ Bid Security of the unsuccessful bidder shall be refundable as promptly as possible and shall bear no interest..</p> <p>No Bid will be accepted unless accompanied by requisite Earnest Money Deposit as stated above.</p> <p>Note: The minimum validity of BG shall be mentioned in the notice and shall be calculated in the manner as deliberated at para 14 of TENDER OPENING EVALUATION AND AWARD.</p>	
4(a)	Clause 6.2 (E) of procurement guidelines of works and services (Page 27)	In case the L-1 bidder fails to submit requisite documents online as per NIT or if any of the information/declaration furnished by L-1 bidder online is found to be wrong by Tender Committee during evaluation of scanned documents uploaded by bidder, which changes the eligibility status of the bidder (for the first time) , then his bid shall be rejected and EMD or Rs. 1.00 lakh, whichever is lower, of L-1 bidder will be forfeited.	In case the L-1 bidder fails to submit requisite documents online as per NIT or if any of the information/declaration furnished by L-1 bidder online is found to be wrong by Tender Committee during evaluation of scanned documents uploaded by bidder, which changes the eligibility status of the bidder, then his bid shall be rejected and EMD of L-1 bidder will be forfeited.
4(b)	Clause 6.2 (K) of procurement guidelines of works and services (page 27)	The L-1 bidder/s (either L-1 or subsequently declared L-1) fails to submit the requisite documents online as per NIT or if any of the information/declaration furnished by L-1 bidder/s online is found to be wrong by Tender Committee during evaluation of scanned documents uploaded by bidder, which changes the eligibility status of the bidder, in two tenders, floated by the same	Deleted

		<p>tender inviting authority, within a span of one year (to be counted with respect to date of e-publication of NIT), then his bid shall be rejected and the EMD of L-1 bidder will be forfeited.</p>	
4(c)	<p>Clause 9 of annexure-I: A. Revised e-Procurement Process (Page 47-48)</p>	<p>The following penalties shall be imposed on the defaulting bidders:</p> <p>I. L-1 bidder is a defaulter: 100% of EMD or Rs.1.00 lakh, whichever is lower, is forfeited.</p> <p>II. Failure to submit offline EMD in the form of BG: In case of failure to submit original BG (offline submission of EMD) within 7 days bidder will be debarred for 1(one) year.</p> <p>III. L-1 bidder happens to be a defaulter in 2 tenders issued by the same TIA within a span of 1 one year: If bidder defaults in 2 tenders under same TIA in a span of one year, 100% of EMD is forfeited.</p>	<p>The following penalties shall be imposed on the defaulting bidders:</p> <p>I. L-1 bidder is a defaulter: <u>100% of EMD is forfeited.</u></p>
4(a)	<p>B (7), Annexure-I of e-procurement guidelines for works and services Page 48</p>	<p>The L1 bidder after the reverse auction has to upload the Breakup of cost to company Prices in the confirmatory documents. The detailed Break-up of offered cost to company price, uploaded by the bidder shall be considered and order, if placed, shall be with the same break-up of prices. The L1 bidder after reverse auction will be responsible to ensure that the cost to company rate as per the breakup of prices provided by him after the reverse auction and the L1 cost to company rate offered by him in the reverse auction is exactly same, otherwise it may be treated as defaulter and will attract penal</p>	<p>The <u>bidder(s)</u> who have participated in the reverse auction has to upload the Breakup of cost to company Prices in the confirmatory documents. The detailed Break-up of offered cost to company price, uploaded by the bidder shall be considered and order, if placed, shall be with the same break-up of prices. The <u>bidder(s)</u> after reverse auction will be responsible to ensure that the cost to company rate as per the breakup of prices provided by him after the reverse auction and the cost to company rate offered by him in the reverse auction is exactly same. <u>The bidder will not be allowed to increase the rate of any item while submitting the break up.</u> While giving the break up, the</p>

		<p>action. While giving the break up, the bidder will have to consider same rate of taxes and duties as quoted while submitting the e price bid. In case the L1 bidder fails to submit the break-up of cost to company price within stipulated period, the Company will be at liberty to place order on the basis of the breakup of the e-price bid submitted by the bidder along with the initial offer and the same will be binding on the bidder. In case of item rate composite works tenders, the reverse auction will be conducted on the composite cost to company price. The successful bidder has to proportionately reduce the item rates while submitting the break-up of composite price.</p>	<p>bidder will have to consider same rate of taxes and duties as quoted while submitting the e price bid. <u>In case the bidder(s) fail(s) to submit the break-up of cost to company price within stipulated period or the break up given by bidder does not match with total offered price,</u> the Company will be at liberty to place order by proportionately reducing item rates on basis of the breakup of the e-price bid submitted by the bidder along with the initial offer and the same will be binding on the bidder. In case of works and services tenders, the reverse auction will be conducted on the composite cost to company price.</p>
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