

All-India Institute of Medical Sciences
Ansari Nagar, New Delhi-29.



DRAFT

OF

PURCHASE MANUAL OF AIIMS

Table of Contents

1 PREAMBLE	9-14
1.1 Introduction	09
1.1.1. Objective of this Manual	09
1.1.2. Transparency, Competition, Fairness and Elimination of Arbitrariness	09
1.1.3. Efficiency, Economy and Accountability:	11
1.2 Guidelines for Public Procurement	12
1.3 Present Manual	12
1.4 Definition of Goods	12
1.5 Terminology and Abbreviations	13-14
1.6 Standard Tender Enquiry Documents	14
2 INTRODUCTION & ORGANISATION STRUCTURE OF AIIMS STORE	15-21
2.1 Introduction	15
2.2 The AIIMS Act, 1956	16
2.3 Objectives of the Institute	16
2.4 Functions of the Institute	16
2.5 President of the Institute	16
2.6 Organizational Structure of AIIMS Department of Stores	17
2.7 Sources of Funds	17
2.8 Stores organization at AIIMS	18-19
2.9 Functions of the Stores Section of AIIMS	19
2.10 Procurement of Drugs at AIIMS	20-21
3. OBJECTIVES AND POLICIES OF PURCHASE	22
3.1 Fundamental Principles of Public Buying	22
3.2 Authorities competent to purchase goods and their Purchase Powers	22
4. GENERAL PRINCIPLES OF ENTERING INTO CONTRACTS	23-27
4.1 Introduction	23
4.2 Elementary Legal Practices	23
4.3 Competency of Parties	24
4.4 Consent of both Parties	26
4.5 Free consent of both Parties	26
4.6 Consideration	27
4.7 Lawfulness of object	27

4.8	Communication of an Offer or Proposal	27
4.9	Communication of Acceptance	28
4.10	Acceptance to be identical with Proposal	28
4.11	Withdrawal of an Offer or Proposal	29
4.12	Withdrawal of Acceptance	29
4.13	Changes in terms of a concluded Contract	29
4.14	Discharge of Contracts	30
4.15	Stamping of Contracts	31
4.16	Authority for Execution of Contracts	31
4.17	Contract Effective Date	32
4.18	Important Guidelines for entering into Contracts	32-34
5	SPECIFICATION AND ALLIED TECHNICAL PARTICULARS OF GOODS	35-37
5.1	Basic Guidelines	35-36
5.2	Essential Technical Particulars	37
5.3	Certification	37
6	MODES OF PURCHASE, RECEIPT AND OPENING OF TENDERS	38-53
6.1	General	38
6.2	Approval of the competent authority to the purchase	38
6.3	Purchase of Goods without Quotation	38
6.4	Purchase of goods by Local Purchase Committee	39
6.5	Purchase of Rate Contracted Goods	39
6.6	Purchase of Goods by obtaining Tenders	40
6.7	Advertised Tender Enquiry (ATI)	40
6.8	Global Tender Enquiry (GTI)	40
6.9	Time to be allowed for submission of tenders	41
6.10	Text of Tender Notice	41
6.11	Cost of Tender Documents	41
6.12	Sale of Tender Documents	43
6.13	Limited Tender Enquiry (LTI)	43
6.14	Pre-Bid Conference/meeting	44
6.15	Format of Tender	45
6.16	Sealing and Marking of Tenders	45

6.17	Extension of Tender Opening Date	45-46
6.18	Amendments/Modifications to Tenders	46
6.19	Receipt and Custody of Tenders	47
6.20	Late Tender	48
6.21	Opening of Tenders	48
6.22	Responsibility of the Tender Opening Officials	49
6.23	E - Procurement	49
6.24	Two Bid System	50
6.25	Single Tender Enquiry (STI)	50
6.26	Purchases on the basis of "Proprietary Usage"	51
6.27	Emergency Purchase and covering supply orders	53
6.28	Purchases through Imprest (Permanent Advance)	53

7. EARNEST MONEY AND PERFORMANCE SECURITY 54-56

7.1	Earnest Money Deposit (EMD)	54
7.2	Forfeiture of EMD	54
7.3	Refund of EMD	55
7.4	Performance Security	55
7.5	Forfeiture of Performance Security	55
7.6	Refund of Performance Security	55
7.7	Verification of the Bank Guarantees	56
7.8	Safe Custody and Monitoring of EMDs, Performance Securities & Other Instruments	56

8 DELIVERY PERIOD, TERMS OF DELIVERY, TRANSPORTATION, TRANSIT INSURANCE, DELAY IN SUPPLY, CANCELLATION OF CONTRACT 57-65

8.1	Introduction	57
8.2	Delivery Period	57
8.3	Terms of Delivery	57
8.4	Linkage between Terms of Delivery & Date of Delivery	58
8.5	INCOTERMS	59
8.6	Air Consignment	59
8.7	Insurance	59
8.8	Distribution of Dispatch Documents for Clearance/Receipt of Goods	60
8.9	Delay in Supplies for which Supplier is not responsible	60
8.10.	Force Majeure	61
8.11.	Remedies to Purchaser for delay in Supply / Non-Supply for which Supplier is responsible	62
8.12	Liquidated Damages	62
8.13	Token Liquidated Damages	63
8.14	Extension of Delivery Period	63
8.15	Performance Notice	64
8.16	Dispatch of Goods after expiry of Delivery Period	64
8.17	Cancellation of Contract for Default	65

9 ELEMENTS OF PRICE AND TERMS OF PAYMENT	67-75
9.1 Introduction	67
9.2 Currency	67
9.3 Duties and Taxes on Domestic Goods	68
9.4 Custom Duty on Imported Goods	69
9.5 Octroi and Local Taxes	69
9.6 Duties/Taxes on Raw Materials	70
9.7 Terms of Payment for Domestic Goods	70
9.8 Terms of Payment for Imported Goods	71
9.9 Advance Payment to Supplier	71
9.10 Documents for Payment	72
9.11 Modes of Payment	73
9.11.1 Payment to Domestic Suppliers	73
9.11.2 Payment to Foreign Suppliers	73
9.11.3 Payment by Letter of Credit	73
9.11.4 E - Payment	74
9.12 Deduction of Income Tax, Service Tax, etc. at Source from Payments to Suppliers	74
9.13 Recovery of Public Money from Supplier's Bill	74
9.14 Refunds from Supplier	74
9.15 Payment against Time Barred Claims	75
10. QUALITY CONTROL AND INSPECTION OF ORDERED GOODS	76-80
10.1 Introduction	76
10.2 Stages and Modes of Inspection	76
10.3 Inspection Procedure	77
10.4 Inspection Document	77
10.5 Outside Testing Laboratories	77
10.6 Samples	78
10.7 Handling of Inspection Stamps/Inspection Documents	78
10.8 Custody of Inspection Notes	78
10.9 Inspection of goods tendered at the Fag End or on the Last Date of the Contract Delivery period	78
10.10 Acceptance of Goods against Supplier's In-house Inspection Report and Warranty	79
10.11 Purchaser's Right of Rejection	80
10.12 Acceptance of Goods vis-à-vis Warranty Provisions	80
10.13 Joint Investigation against Complaints relating to Quality of Goods	80

11.	EVALUATION OF TENDERS, FORMULATION OF PURCHASE PROPOSAL AND PLACEMENT OF CONTRACT	81-88
11.1	Introduction	81
11.2	Preliminary Examination	81
11.3	Non-Conformities between the figures and words of the quoted price	82
11.4	Discrepancies between original and additional copies of a bid	82
11.5	Qualification Criteria	82
11.6	Scrutiny of Responsive Bids	82
11.7	Conversion of Currencies	83
11.8	Evaluation and Raking	83
11.9	Reasonableness of Prices(ROP)	84
11.10	Negotiations	85
11.11	Comparative Statement	85-87
11.12	Placement of order/Conclusion of Contract	88
11.13	Integrity pact	88
12.	CONTRACT MANAGEMENT	89-91
12.1	Introduction	89
12.2	Text of Contract	89
12.3	Performance Security	89
12.4	Acknowledgement of Contract/Order	89
12.5	Coordination	90
12.6	Amendment to Contract/Order	90
12.7	Payment to the Supplier	90
12.8	Receipt of materials	91
12.9	Monitoring of Securities and other Instruments	91
12.10	Closure of Purchase File	91
13	SETTLEMENT OF DISPUTES	92
13.1	General	92
13.2	Mode of Settlement	92
13.3	Venue of Arbitration	92
13.4	Applicable Law	92
13.5	Legal Advice	92

14 RATE CONTRACT	93-101
14.1 Definition	93
14.2 Merits of Rate Contract	93
14.2.1 Benefit to Users	93
14.2.2 Benefit to Suppliers	94
14.3 Rate Contracts concluded by Central Stores Department	94
14.4 Goods for which Rate Contracts are to be concluded by Central Stores Deptt.	94
14.5 Bringing more and more common user items on the Rate Contract	95
14.6 Conclusion of Rate Contracts for Automobiles, sophisticated Equipment, Machinery etc. on the basis of discounts on Net Dealer Price	95
14.7 Period of Rate Contract	95
14.8 Criteria for award of Rate Contract	96
14.9 Special Conditions applicable for Rate Contract	96
14.10 Parallel Rate Contracts	97
14.11 Conclusion of Rate Contracts including Parallel Rate Contracts	97
14.12 Price Negotiation	97
14.13 Cartel Formation/ Pool Rates	98
14.14 Fall Clause	99
14.15 Performance Security	99
14.16 Renewal of Rate Contracts	100
14.17 Placement of Supply Orders	100-101
15. Patient Accounts System	102-103
16. Inventory Management	104-106
16.1 Receipt Procedure	104
16.2 Receipt / issue of goods and materials from internal divisions of the same organization	104
16.3 Custody of goods and materials	105
16.4 Lists and Accounts	105
16.5 Transfer of charge of goods, materials etc.	105
16.6 Maintenance of Register of Non-consumable items by the concerned Departments/Sections/Units/ Offices	106

17. MISCELLANEOUS	107-111
17.1 Buy Back Offer	107
17.2 Maintenance Contract	108-109
17.3 Turnkey Contract	110
17.4 Disposal of Surplus Goods	111
17.5 Computerization of Purchase Work	111
17.6 Training	111
17.7 Purchase of Vehicles	111
17.8 Beyond the Manual	111-112
18. PROCUREMENT & OUTSOURCING OF SERVICES	113-116
18.2 Outsourcing of Services	113-116
ANNEXURES - All standard forms to be used	117-135
APPENDIX – I - Delegation of Powers	136-138
APPENDIX – II - Brief Description of duties & responsibilities of various officials/committees	139-143
APPENDIX – III - Technical Specification & Evaluation Committee (TSEC)	144
APPENDIX – IV - Bidding Document, GCC, SCC, etc.	145-207
APPENDIX – V - GLOSSARY	208-212

CHAPTER - 1

PREAMBLE

1.1 Introduction

1.1.1. Objective of this Manual

AIIMS spends a sizeable amount of its budget for purchasing various types of goods to discharge the duties and responsibilities assigned to it. It is imperative that these purchases are made following a uniform, systematic, efficient and cost effective procedure, in accordance with the relevant rules and regulations of the Government. The Hospital/ Centres / Departments have been delegated powers to make their own arrangements for procurement of goods under the Delegation of Financial Power Rules, which have to be exercised in conformity with the orders and guidelines issued by competent authorities' coverings financial, vigilance, security, safety, countertrade and other regulatory aspects. Without purporting to be a comprehensive compendium of all statutory provisions, rules, regulations, orders and guidelines on the subject of public procurement, this Manual is intended to serve as a portal to enter this vast area and draw attention to basic norms and practices governing public procurement.

1.1.2. Transparency, Competition, Fairness and Elimination of Arbitrariness

Public buying should be conducted in a transparent manner to bring competition, fairness and elimination of arbitrariness in the system. This will enable the prospective tenderers to formulate competitive tenders with confidence. The following are some important measures to achieve the same and, thus, secure best value for money:

- (a) The text of the tender document should be user-friendly, self-contained, comprehensive, unambiguous, and relevant to the objective of the purchase. The use of terminology used in common parlance in the industry should be preferred.
- (b) The specifications of the required goods should be framed giving sufficient details in such a manner that it is neither too elaborately restrictive as to deter potential tenderers or increase the cost of

purchase nor too sketchy to leave scope for sub-standard supply. The specifications must meet the essential requirements of the user department. Efforts should also be made to use standard specifications, which are widely known to the industry.

- (c) The tender document should clearly mention the eligibility criteria to be met by the tenderers such as minimum level of experience, past performance, technical capability, manufacturing facilities, financial position, ownership or any legal restriction etc.
- (d) Restrictions on who is qualified to tender should conform to Government policies and be judiciously chosen so as not to stifle competition amongst potential tenderers.
- (e) The procedure for preparing and submitting the tenders; deadline for submission of tenders; date, time & place of public opening of tenders; requirement of earnest money and performance security; parameters for determining responsiveness of tenders; evaluating and ranking of tenders and criteria for full or partial acceptance of tender and conclusion of contract should be incorporated in the tender enquiry in clear terms.
- (f) Tenders should be evaluated in terms of the criteria already incorporated in the tender document, based on which tenders have been received. Any new condition, which was not incorporated in the tender document, should not be brought into consideration while evaluating the tenders.
- (g) Sufficient time should be allowed to the tenderers to prepare and submit their tenders.
- (h) Suitable provisions should be kept in the tender document allowing the tenderers reasonable opportunity to question the tender conditions, tendering process, and/or rejection of its tender and the settlement of disputes, if any, emanating from the resultant contract.
- (i) It should be made clear in the tender document that tenderers are not permitted to alter or modify their tenders after expiry of the deadline for receipt of tender till the date of validity of tenders and if they do so, their earnest money will be forfeited.

- (j) Negotiations with the tenderers must be severely discouraged. However, in exceptional circumstances, where price negotiations are considered unavoidable, the same may be resorted to, but only with the lowest evaluated responsive tenderer in case of purchase / works contracts and with the highest evaluated responsive tenderer in case of sale / disposal of material. The approval of the Competent Authority must be obtained for negotiations and CVC guidelines on 'Negotiations with L-1' issued from time to time must be followed.
- (k) The name of the successful tenderer to whom the supply contract is awarded (in case of the centralized R/C items) should be appropriately notified for the information of general public, by displaying at websites, etc.

1.1.3. Efficiency, Economy and Accountability:

Public procurement procedures must conform to exemplary norms of best practices to ensure efficiency, economy and accountability in the system. To achieve this objective, the following key areas should be taken care of:

- (i) To reduce delays, each Centre/Hospital/Department should prescribe appropriate time frame for each stage of procurement; delineate the responsibility of different officials and agencies involved in the purchase process and delegate, wherever necessary, appropriate purchase powers to the lower functionaries with due approval of the competent authority.
- (ii) Each Centre/Hospital/Department should ensure conclusion of contract within the original validity of the tenders. Extension of tender validity must be discouraged and resorted to only in absolutely unavoidable, exceptional circumstances with the approval of the competent authority after duly recording the reasons for such extension.
- (iii) The Central Stores Department [Stores Section (Do)] should bring into the rate contract system more and more common user items, which are frequently needed in bulk by Hospital / Centres/Departments. The Central Stores Department should also ensure that the rate contracts remain available without any break.

1.2 Guidelines for Public Procurement

At the apex of the legal framework governing public procurement is Article 299 of the Constitution, which stipulates that contracts legally binding on the Government have to be executed in writing by officers specifically authorized to do so. Further, the Indian Contract Act, 1872 and the Sale of Goods Act, 1930 are major legislations governing contracts of sale/ purchase of goods in general. There is no law exclusively governing public procurement of goods. However, comprehensive rules and directives in this regard are available in the General Financial Rules (GFR), 2005, especially chapter 6; Delegation of Financial Powers Rules (DFPR); and the guidelines issued by the Central Vigilance Commission to increase transparency and objectivity in public procurement. These provide the regulatory framework for the public procurement system.

1.3 Present Manual

To achieve what has been stated in the above paragraphs, it is essential that the purchase officials be provided with all the required rules, regulations, instructions, directives, and guidance on best practices in the form of a Manual. This Manual is intended to serve this objective. This manual contains guidelines and directives concerning purchase of goods with public funds as well as some allied areas such as installation of equipment, operators' training, after sales services, maintenance contract, etc. Relevant aspects of purchase management techniques have been incorporated in proper sequence under separate chapters. The text incorporated in each chapter has been highlighted with appropriate sub-heads. This arrangement will help the users to readily locate the desired subjects/sub-subjects.

1.4 Definition of Goods

The term 'goods' used in this Manual applies generally to all articles, material, commodities, livestock, furniture, fixtures, raw material, spares, instruments, machinery, equipment, industrial plant etc. purchased or otherwise acquired for the use of Institute but excluding books, publications, periodicals, etc. for a library.

1.5 Terminology and Abbreviations

1.5.1. Standard terminology has been adopted in this Manual. In certain areas, there may be two or more widely used terminologies bearing the same meaning as mentioned below:

- i) Tender, Bid, Quotation. (Meaning: offer received from a supplier)
- ii) Tenderer, Bidder. (Meaning: an entity who seeks to supply goods by sending tender/bid).
- iii) Tender Enquiry Document, Tender Document, and Bidding Document. (Meaning: a detailed document issued by the purchaser specifying his needs and the requirements that a potential tenderer/bidder must meet).
- iv) Notice Inviting Tenders, Invitation for Bids (Meaning advertisement containing brief details of the requirement).
- v) Earnest Money Deposit, Bid Security. (Meaning: monetary guarantee furnished by a tenderer along with its tender)
- vi) Security Deposit, Performance Security. [Meaning: monetary guarantee furnished by the successful tenderer for due performance of the contract concluded with it.]

1.5.2. Standard Abbreviations have been used in this Manual. Some important abbreviations are listed below for ready reference:

A/T	Acceptance of Tender
ATI	Advertised Tender Enquiry
BG	Bank Guarantee
BL	Bill of Lading
CD	Custom Duty
CIF	Cost, Insurance & Freight
CIP	Carriage and Insurance Paid
DGS&D	Directorate General of Supplies & Disposals
DP	Delivery Period
ED	Excise Duty

EMD	Earnest Money Deposit
FAS	Free Alongside Ship
FM	Force Majeure
FOB	Free On Board
FOR	Free On Rail
INCOTERMS	International Commercial Terms
LC	Letter of Credit
LD-	Liquidated Damages
LPP	Last Purchase Price
LTI	Limited Tender Enquiry
NTH	National Test House
PO	Purchase Order
TSEC	Technical Specification & Evaluation Committee
RC	Rate Contract
SO	Supply Order
ST	Sales Tax
STI	Single Tender Inquiry
SPC	Stores Purchase Committee
VAT	Value Added Tax
MS	MEDICAL SUPERINTENDENT OF MAIN HOSPITAL

1.6 **Standard Tender Enquiry Documents**

The A.I.I.M.S. should use standard forms of tender enquiry documents and contracts in line with the extant rules, regulations, directives, procedures etc. A set of standard documents may be kept updated for this purpose by each office, broadly following the standard documents prescribed by higher office, broadly following the standard documents prescribed by higher authorities and customizing these standard templates to suit specific requirements. Supervisory authorities would prescribe the kind of alterations permitted in the standard templates and the cases where deviations from the standard provisions can be made with the approval of the Competent Authority.

CHAPTER - 2

INTRODUCTION & ORGANISATION STRUCTURE OF AIIMS STORE

2.1 Introduction

All India Institute of Medical Sciences was established in the year 1956 as an autonomous body by an Act of Parliament with a objective to develop patterns of teaching in undergraduate and postgraduate medical education so as to achieve a high standard of medical education and to bring together in one place educational facilities of the highest order for the training of personnel in all important branches of health activities and to attain self- sufficiency in post graduate medical education in India.

The Institute has developed comprehensive facilities for teaching, research and patient care. As regards patient care services, it has a central Main Hospital and following centres for providing patient care services. These centres are:

- Cardiothoracic and Neuro Sciences Centre (CNC)
- Dr. Bhim Rao Ambedkar Institute of Rotary Cancer Hospital (DRBRAIRCH)
- Dr. Rajendra Prasad Centre of Ophthalmic Sciences (RPC)
- Jai Prakash Narain Apex Trauma Centre (JPNATC)
- Centre for Dental Education & Research (CDER)
- National Drug Dependence Treatment Centre, Gaziabad. (NDDTC)

Besides these, there are two other centres namely the Centre for Community Medicine (Rural Health Centre in Ballabhgarh, Haryana in collaboration with the Govt. of Haryana), a Rotary Midtown Hospital at Trilokpuri, East Delhi and also an Outreach OPD in AIIMS Campus II in Jhajjar (Haryana).

The supreme controlling and policy planning authority of the AIIMS is the Institute Body. The Member secretary of the body is the Director of AIIMS, who is the Chief Executive of the Institute and is responsible for the management of AIIMS as a whole. Union Minister for Health and Family Welfare, Govt. of India, is conventionally the President of the Institute Body.

The AIIMS Hospital complex consisting of main hospital and these centres forms the main component of the Institute of it's patient care, research and teaching functions. The hospital was started on 31st December 1958

The chief of the main hospital is the Medical Superintendent; The broad policies to run the hospital services are made by Hospital Management Board (HMB) consisting

of the representatives of various clinical faculties, residents, nursing staff and other hospital workers. The Hospital Management Board functions on the principles of participative management in the hospital set up. However, the centres are under the direct administrative control of the Chiefs of the centres and are actively associated through the HMB for the functioning of the various common services and broad policy matters. Director has delegated the Medical Superintendent and the Chiefs of Centres with all the powers in administrative and financial matters of the Hospital and Centres respectively including the financial management of patient care services. The AIIMS Hospital has a unique distinction of management by committees like Infection Control Committee, Surgical Selection Committee, Drug Selection Committee, Operation Theatre Users Committee, Dietary Advisors Committee and so on.

These Committees advise the Medical Superintendent in all the spheres of hospital management. The faculty of Department of Hospital Administration is responsible for the day-to-day management and smooth functioning of different service areas of the hospital and works in the hospital on behalf of the Medical Superintendent (MS).

2.2 The AIIMS Act, 1956

The Parliamentary Act creation of AIIMS is known as the AIIMS Act (no. 25 of 1956 dt. 2nd June, 1956).

2.3 Objectives of the Institute:

- a. To develop pattern of teaching in undergraduate and post graduate teaching in all branches so as to demonstrate high standard of medical education to all medical colleges and allied institution of India.
- b. To bring together in one place educational facilities of highest order for training of personal in all important branches of health activities.
- c. To attain self sufficiency in post graduate medical education.

2.4 Functions of the Institute:

The following are the major functions of the Institute:

- i) TEACHING & TRAINING
- ii) RESEARCH
- iii) PATIENT CARE

2.5 President of the Institute:

The Act provides that the Central Government shall nominate a President of the Institute from amongst its members other than the Director. Conventionally the

Minister of Health and Family Welfare who has been the nominated president of the Institute.

Governing Body:

The Governing Body is the executive committee of the Institute. It is composed as under:

Union Min. of Health& Family welfare	-	Chairman
& President of the Institute		
DGHS & Addl. Secretary	-	Ex-officio member
Health Secretary	-	Member
Vice Chancellor of Delhi Univ.	-	Member
Representative of Ministry of Finance	-	Member
Two of the members of Parliament	-	Member
Four members to be elected from amongst the members of the Institute Body-		Member
Director, AIIMS	-	Member Secretary

Five members shall form a quorum

2.6 Organizational Structure of AIIMS Department Of Stores

Institute functions under the broad guidelines of GOI and its rules, although some functional autonomy given to the Main Hospital and Depts. and Centers. Irrespective of autonomy the Institute follows a uniform pattern of purchase so that **common items are** purchased **on similar** rates and cost **of same** quality. In order to have a uniformity in the purchase the Institute follows a centralized purchase procedure. However some of the items are specific to specific depts., so purchase has to be decentralized. Keeping these facts in mind the institute has given some financial authority and powers to the different depts., centers. AIIMS has a central Stores Section for the tendering and purchase of stores and equipment required by all dept. of the Institute. It also handles all imports and clearance of items received from foreign countries. Thus the system of procurement is both **centralized and decentralized.**

2.7 Sources of Funds:

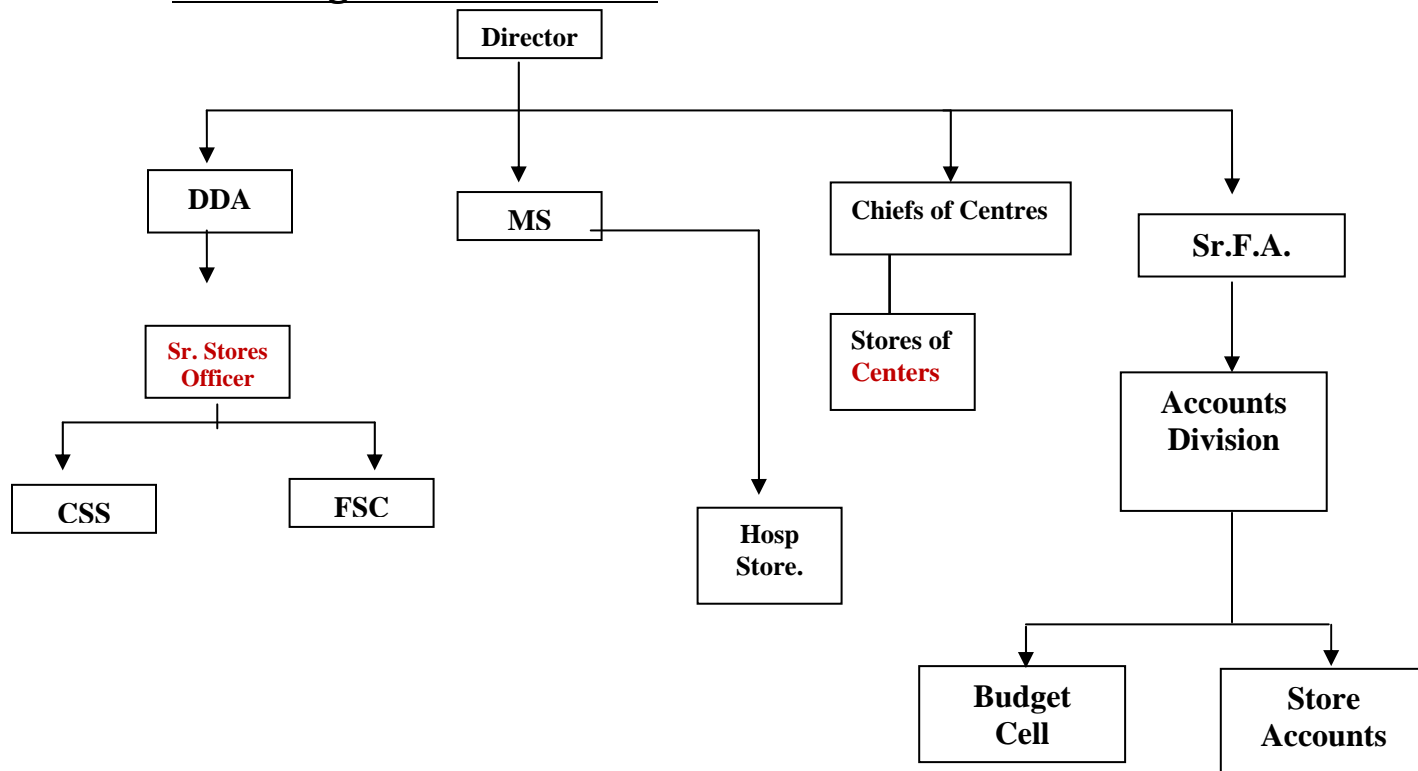
The institute is financed mainly by grants-in-aid from Govt. Of India, Min. of Health & Family welfare. The funds are used for continuing and upgrading teaching, patient care and research activities including super specialty development. To facilitate all these various material supplies starting from high tech machinery, equipment and consumable like medicines, sera, lab reagents, stationary, dietary items and so on are

to be procured. Funding for such type of stores are from budgetary support and from different research grants; individual or international projects grants etc. Govt. sanction is given under 2 heads plan & non-plan expenditure involving the purchase of consumable & non-consumable items respectively. The director of institute does sub-allocations under these two heads to main hospital & other departments.

2.8 The Stores organization at AIIMS broadly comprises of the following

- The Stores Section of AIIMS including the Central Stores Depot and Foreign Stores Cell which functions directly under the DDA/Director.
- Stores Section of the Hospital which functions directly under the MS
- Stores Section of the other centers of the Institute, e.g., CN Centre, IRCH, RP Centre of Ophthalmic Sciences, JPNATC, NDDTC and Dental Centre, which function directly under the Chiefs of these Centers.
- Stores Accounts Section under the Senior Financial Advisor

• **Stores Organization of AIIMS**



2.9 Functions of the Stores Section of AIIMS:

The Sr. Stores Officer (DO) assisted by two ASOs, Jr. Stores Officers, Store Keepers and other clerical staff are responsible for:

- To process tender proposals from the Hospital and other departments of the Institute to finalize centralized rate contracts for all common items which are required on recurrence basis, with an aim to effect purchases centrally on behalf of all the departments of the Institute including the hospital for certain items. Currently this is being done for all items of Stationery and some items of General Stores and Surgical Stores as far as Consumables are concerned. The other functions of stock control, Supply order, Receipt of stores, Stocking, issuing and disposal of surplus/ obsolete items are the responsibilities of various departments of the Institute and the hospital.
- Procure stores of Foreign Origin through the Foreign Stores Cell. This includes receipt, and delivery of the imported goods to the concerned department.

The policies, procedures and practices in these stores are as per directives framed by the Institute based on Govt. rules, notably the DGS&D Manual and the General Financial Rules (GFR).

Stores Section (DO)

Stores section works under the direct supervision of Sr. Stores Officer (DO). The Section comprises of two cells: -

- a. Foreign Stores Cell (FSC)
- b. Central Stores Section (CSS)

NOTE: Duties and Responsibilities of various officials are detailed in the APPENDIX-II

2.10 PROCUREMENT OF DRUGS AT AIIMS:

The aim of drug procurement of AIIMS is to ensure continuous supply of good quality drugs through adequate competition, in conformance with the General Finance Rules as well as the CVC guideline No.005/CRD/19 issued by the Govt. of India vide office order No.23/7/07 dated 05th July 2007.

In view of the above, and also keeping in mind the stress on the procurement of generics by the Government of India, The All India Institute of Medical Sciences follows a policy of Centralized Rate Contract through open tendering for generic medicines, keeping stringent parameters for ensuring the selection of reliable vendors and quality products in terms of:

1. Turnover
2. WHO-GMP/COPP Certificates
3. Manufacturing and marketing license
4. Performance Certificates
5. Certificates of analysis of products offered
6. Provision of test reports with every batch of supply from NABH accredited laboratories
7. Penalty for delayed/non-supply
8. Procurement be made from manufacturers and not through third party players to ensure quality, reliability of supply and accountability of the vendor.

Adequate market research is a pre-requisite to framing terms and conditions for the tender so that criteria framed are realistic and ensure adequate competition.

Items which are not finalized through open tender may be procured through limited tender, inviting bids from at least five known vendors where possible.

In case of proprietary items, the laid down hospital procedure for procurement of proprietary drugs is followed, i.e. requirement of proprietary article certificate from user department, followed by notice of intent to procure the drug as proprietary on the AIIMS website, and inviting objections for the same over a period of at least two weeks before asking for bid from the concerned vendor.

CHAPTER - 3

OBJECTIVES AND POLICIES OF PURCHASE

3.1 Fundamental Principles of Public Buying

It may be useful to refer to the following provisions in the General Financial Rules, 2005:

Rule 137. Fundamental principles of public buying : *Every authority delegated with the financial powers of procuring goods in public interest shall have the responsibility and accountability to bring efficiency, economy, transparency in matters relating to public procurement and for fair and equitable treatment of suppliers and promotion of competition in public procurement. The procedure to be followed in making public procurement must conform to the following yardsticks :-*

(i) the specifications in terms of quality, type etc., as also quantity of goods to be procured, should be clearly spelt out keeping in view the specific needs of the procuring organizations. The specifications so worked out should meet the basic needs of the organization without including superfluous and non-essential features, which may result in unwarranted expenditure. Care should also be taken to avoid purchasing quantities in excess of requirement to avoid inventory carrying costs;

(ii) offers should be invited following a fair, transparent and reasonable procedure;

(iii) the procuring authority should be satisfied that the selected offer adequately meets the requirement in all respects;

(iv) the procuring authority should satisfy itself that the price of the selected offer is reasonable and consistent with the quality required;

(v) at each stage of procurement the concerned procuring authority must place on record, in precise terms, the considerations which weighed with it while taking the procurement decision.

3.2 Authorities competent to purchase goods and their Purchase Powers

3.2.1 An authority which is competent to incur contingent expenditure may sanction the purchase of goods required for use in public service in accordance with the delegation of Financial power Rules in AIIMS as per AIIMS Rules & Regulation detailed in [Appendix-I](#) and following the general procedure contained in this Manual.

3.2.2 In general, a demand should not be split into small quantities for the sole purpose of avoiding the necessity of taking approval of the higher authority required for sanctioning the purchase of the original demand. However, in exceptional circumstances with the approval of the Competent Authority, the demand can be split as per requirement with valid, logical and convincing reasons which should be recorded if it is intended to split the demand in exceptional circumstances with the approval of competent authority.

CHAPTER - 4

GENERAL PRINCIPLES OF ENTERING INTO CONTRACTS

4.1 Introduction

The elements and principles of contract law and the meaning and import of various legal terms used in connection with the contracts are available in the Indian Contract Act, 1872 read with the Sale of Goods Act, 1930. Some of the salient principles relating to contracts are set out briefly in this chapter.

4.2 Elementary Legal Practices

4.2.1 **What is a Contract?** The proposal or offer when accepted is a promise, and every set of promises forming the consideration for each other is an agreement, and an agreement if made with free consent of parties competent to contract, for a lawful consideration and with a lawful object is a contract.

4.2.2 **Proposal or Offer:** When one person signifies to another his willingness to do or to abstain from doing anything, with a view to obtaining the assent of the other to such act or abstinence, he is said to make a proposal or offer. In a sale or purchase by tender, the tender signed by the tenderer is the proposal. The invitation to tender and instructions to tenderers do not constitute a proposal.

4.2.3 **Acceptance of the Proposal:** When the person to whom the proposal is made signifies his assent thereto, the proposal is said to be accepted. A proposal when accepted becomes a promise.

4.2.4 **What agreements are contracts:** An agreement is a contract enforceable by law when the following are satisfied. A defect affecting any of these renders a contract un-enforceable.

- (a) Competency of the parties
- (b) Freedom of consent of both parties
- (c) Lawfulness of consideration
- (d) Lawfulness of object

4.3 Competency of Parties

Under law any person who has attained majority and is of sound mind or not debarred by law to which he is subject, may enter into contracts. It, therefore, follows that minors and persons of unsound mind cannot enter into contracts nor can insolvent person do so.

4.3.1 Categories of persons and bodies who are parties to the contract may be broadly sub-divided under the following heads: -

- (a) Individuals
- (b) Partnerships
- (c) Limited Companies
- (d) Corporations other than limited companies

(a) Contracts with Individuals: Individuals tender either in their own name or in the name and style of their business. If the tender is signed by any person other than the concerned individual, the authority of the person signing the tender on behalf of another must be verified and a proper power of attorney authorizing such person should be registered. In case, a tender is submitted in a business name and if it is a concern of an individual, the constitution of the business and the capacity of the individual must appear on the face of the contract and the tender signed by the individual himself as proprietor or by his duly authorized registered attorney.

(b) Contracts with Partnerships: A partnership is an association of two or more individuals formed for the purpose of doing business jointly under

a business name. It is also called a firm. It should be noted that a partnership is not a legal entity by itself, apart from the individuals constituting it. A partner is the implied authority to bind the firm in a contract coming in the purview of the usual business of the firm. The implied authority of a partner, however, does not extend to enter into arbitration agreement on behalf of the firm. While entering into a contract with partnership firm care should be taken to verify the existence of consent of all the partners to the arbitration agreement.

(c) Contracts with Limited Companies: Companies are associations of individuals registered under Companies Act in which the liability of the members comprising the association is limited to the extent of the shares held by them in such companies. The company, after its incorporation or registration, is an artificial legal person which has an existence quite distinct and separate from the members of shareholders comprising the same. A company is not empowered to enter into a contract for purposes not covered by its memorandum of association; any such agreement in excess of power entered into the company is void and cannot be enforced. Therefore, in cases of doubt, the company must be asked to produce its memorandum for verification or the position may be verified by an inspection of the memorandum from the office of the Registrar of Companies before entering into a contract. Normally, any one of the Directors of the company is empowered to be present the company. Where tenders are signed by persons other than Directors or authorized Managing Agents, it may be necessary to examine if the person signing the tender is authorized by the company to enter into contracts on its behalf.

(d) Corporation other than Limited Companies: Associations of individuals incorporated under statutes such as Trade Union Act, Co-operative Societies Act and Societies Registration Act are also artificial

persons in the eye of law and are entitled to enter into such contracts as are authorized by their memorandum of association. If any contract has to be entered into with any one or such corporations or associations, the capacity of such associations to enter into contract should be verified and also the authority of the person coming forward to represent the said Association.

4.4 Consent of both Parties

Two or more persons are said to consent when they agree upon the same thing in the same sense. When two persons dealing with each other have their minds directed to different objects or attach different meanings to the language which they use, there is no agreement. The misunderstanding which is incompatible with agreement may occur in the following cases: -

- (a) When the misunderstanding relates to the identity of the other party to the agreement;
- (b) When it relates to the nature or terms of the transactions;
- (c) When it related to the subject matter of the agreement.

4.5 Free consent of both Parties

4.5.1 The consent is said to be free when it is not caused by coercion, undue influence, fraud, misrepresentation or mistake. Consent is said to be so caused when it would not have been given but for the existence of coercion, undue influence, fraud, misrepresentation or mistake. When consent to an agreement is caused by coercion, undue influence, fraud or misrepresentation, the agreement is a contract voidable at the option of the party whose consent was caused. A party to a contract, whose consent was caused by fraud or misrepresentation, may, if he thinks fit, insist that the contract shall be performed, and that he shall be put in the position in which he would have been if the representations made had been true.

4.5.2 In case consent to an agreement has been given under a mistake, the position is slightly different. When both the parties to an agreement are under a mistake as to a matter essential to the agreement, the agreement is not voidable but void. When the mistake is unilateral on the part of one party only, the agreement is not void.

4.5.3 Distinction has also to be drawn between a mistake of fact and a mistake of law. A contract is not void because it was caused by a mistake as to any law in force in India but a mistake as to law not in force in India has the same effect as a mistake of fact.

4.6 Consideration

Consideration is something which is advantageous to the promisor or which is onerous or disadvantageous to the promisee. Inadequacy of consideration is, however, not a ground avoiding the contract. But an act, forbearance or promise which is contemplation of law has no value is no consideration and likewise an act or a promise which is illegal or impossible has no value.

4.7 Lawfulness of object

The consideration or object of an agreement is lawful, unless it is forbidden by law or is of such a nature that if permitted, it would defeat the provisions of any law, or is fraudulent or involves or implies injury to the fraudulent property of another or the court regards it as immoral or opposed to public policy. In each of these cases the consideration or object of an agreement is said to be unlawful.

4.8 Communication of an Offer or Proposal

The communication of a proposal is complete when it comes to the knowledge of the person to whom it is made. A time is generally provided in the

tender forms for submission of the tender. Purchaser is not bound to consider a tender, which is received beyond that time.

4.9 Communication of Acceptance

A date is invariably fixed in tender forms up to which tenders are open for acceptance. A proposal or offer stands revoked by the lapse of time prescribed in such offer for its acceptance. If, therefore, in case it is not possible to decide a tender within the period of validity of the offer as originally made, the consent of the tenderer firm should be obtained to keep the offer open for further period or periods.

4.9.1 The communication of an acceptance is complete as against the proposer or offerer, where it is put in the course of transmission to him, so as to be out of the power of the acceptor, and it is complete as against the acceptor when it comes to the knowledge of the proposer or offerer. The medium of communication in government contracts is generally by post and the acceptance is, therefore, complete as soon as it is posted. So that there might be no possibility of a dispute regarding the date of communication of acceptance, it should be sent to the correct address by some authentic foolproof mode like registered post acknowledgement due, etc.

4.10 Acceptance to be identical with Proposal

If the terms of the tender or the tender, as revised, and modified, are not accepted or if the terms of the offer and the acceptance are not the same, the acceptance remains a mere counter offer and there is no concluded contract. It should, therefore, be ensured that the terms incorporated in the acceptance are not at variance with the offer or the tender and that none of the terms of the tender are left out. In case, uncertain terms are used by the tenderers, clarifications should be obtained before such tenders are considered for acceptance. If it is considered that a counter offer should be made, such

counter offer should be carefully drafted, as a contract is to take effect on acceptance thereof.

If the subject matter of the contract is impossible of fulfillment or is in itself in violation of law such contract is void.

4.11 Withdrawal of an Offer or Proposal

A tenderer firm, who is the proposer may withdraw its offer at any time before its acceptance, even though the firm might have offered to keep the offer open for a specified period. It is equally open to the tenderer to revise or modify his offer before its acceptance. Such withdrawal, revision or modification must reach the accepting authority before the *date and time of opening of tender*.

No legal obligations arise out of such withdrawal or revision or modification of the offer as a simple offer is without a consideration. Where, however, a tenderer agrees to keep his offer open for a specified period for a consideration, such offers cannot be withdrawn before the expiry of the specified date. This would be so where earnest money is deposited by the tenderer in consideration of his being supplied the subsidiary contract and withdrawal of offer by the tenderer before the specified period would entitle the purchaser to forfeit the earnest money.

4.12 Withdrawal of Acceptance

An acceptance can be withdrawn before such acceptance comes to the knowledge of the tenderer. A telegraphic revocation of acceptance, which reaches the tenderer before the letter of acceptance, will be a valid revocation.

4.13 Changes in terms of a concluded Contract

No variation in the terms of a concluded contract can be made without the consent of the parties. While granting extensions or making any other variation, the consent of the contractor must be taken. While extensions are to be granted on an application of the contractor, the letter and spirit of the application should be kept in view in fixing a time for delivery.

4.14 Discharge of Contracts

A contract is discharged or the parties are normally freed from the obligation of a contract by due performance of the terms of the contract. A contract may also be discharged: -

- (a) **By mutual agreement:** If neither party has performed the contract, no consideration is required for the release. If a party has performed a part of the contract and has undergone expenses in arranging to fulfill the contract it is necessary for the parties to agree to a reasonable value of the work done as consideration for the value.
- (b) **By breach:** In case a party to a contract breaks some stipulation in the contract which goes to the root of transaction, or destroys the foundation of the contract or prevents substantial performance of the contract, it discharges the innocent party to proceed further with the performance and entitles him to a right of action for damages and to enforce the remedies for such breach as provided in the contract itself. A breach of contract may, however, be waived.
- (c) **By refusal of a party to perform:** On a promisor's refusal to perform the contract or repudiation thereof even before the arrival of the time for performance, the promisee may at his option treat the repudiation as an immediate breach putting an end to the contract for the future. In such a case the promisee has a right of immediate action for damages.
- (d) **In a contract where there are reciprocal promises:** If one party to the contract prevents the other party from performing the contract, the contract may be put to an end at the instance of the party so prevented and the contract is thereby discharged.

4.15 Stamping of Contracts

Under entry 5 of Schedule I of the Indian Stamp Act, an agreement or memorandum of agreement for or relating to the sale of goods or merchandise exclusively is exempt from payment of stamp duty. (A NOTE OR MEMORANDUM sent by a Broker or Agent to his principal intimating the purchase or sale on account of such principal is not so exempt from stamp duty.)

The Stamp Act provides that no Stamp Duty shall be chargeable in respect of any instrument executed by or on behalf of or in favour of the Government in cases where but for such exemption Government would be liable to pay the duty chargeable in respect of such instrument. (Cases in which Government would be liable are set out in Section 29 of the Act).

4.16 Authority for Execution of Contracts

As per the AIIMS Act, the contracts and assurances of property made in the exercise of the executive power of the Institute shall be executed on behalf of the Director, AIIMS. The words “for and on behalf of the Director, AIIMS” should therefore follow the designation appended below the signature of the officer authorized in this behalf.

Note 1: The various clauses of contracts and assurances of property, which may be executed by different authorities, are specified in the Notifications issued by the Ministry of Law from time to time.

Note 2: The powers of various authorities, the conditions under which such powers should be exercised and the general procedure prescribed with regard to various clauses of contracts and assurances of property are laid down in the Delegation of Financial Powers Rules, as per Appendix-I.

Note 3: The concerned Stores Officer and F.A./F&CAO are the competent authorities for execution of contracts.

4.17 Contract Effective Date

The date of commencement of the obligations under the contract on the parties to a contract is referred as the contract effective date. This date should be invariably indicated in each contract, as per agreed terms and conditions. The Centres/Hospital/Departments are advised to set the effective date to be a date after the following:

- (i) Date of signing of the contract.
- (ii) Furnishing of performance bond in terms of performance security.
- (iii) Receipt of Bank Guarantee for advance payment.
- (iv) Obtaining Export Licence for supply of stores by seller and confirmation by the buyer.
- (v) Receipt of End User's Certificate. The supplier shall provide the End User's Certificate within 30 days of the signing of the contract.

Note : In cases where the issue of Formal agreement is delayed then the date of issue of the Letter of Intent (LOI) with the approval of the competent authority shall be the effective date of the contract. However, the payments shall be released only after the formal agreement is signed by both the parties.

4.18 Important Guidelines for entering into Contracts

“CHAPTER - 8: CONTRACT MANAGEMENT” of the General Financial Rules, 2005 contain the norms and principles governing contracts entered into by Government.

Rule 204. General principles for contract : *The following general principles should be observed while entering into contracts:*

- (i) *The terms of contract must be precise, definite and without any ambiguities. The terms should not involve an uncertain or indefinite liability, except in the case of a cost plus contract or where there is a price variation clause in the contract.*
- (ii) *Standard forms of contracts should be adopted wherever possible, with such modifications as are considered necessary in respect of individual contracts. The modifications should be carried out only after obtaining financial and legal advice.*
- (iii) *In cases where standard forms of contracts are not used, legal and financial advice should be taken in drafting the clauses in the contract.*
- (iv) (a) *The Hospital / Centre / Department may, at its discretion, make purchases of value upto Rupees one lakh by issuing purchase orders containing basic terms and conditions.*
(b) *In respect of Works Contracts, or Contracts for purchases valued between Rupees one lakh to Rupees ten lakhs, where tender documents include General Conditions of Contract (GCC), Special Conditions of*

- Contract (SCC) and scope of work, the letter of acceptance will result in a binding contract.*
- (c) In respect of contracts for works with estimated value of Rupees ten lakhs or above or for purchase above Rupees ten lakhs, a Contract document should be executed, with all necessary clauses to make it a self-contained contract. If however, these are preceded by Invitation to Tender, accompanied by GCC and SCC, with full details of scope and specifications, a simple one page contract can be entered into by attaching copies of the GCC and SCC, and details of scope and specifications, Offer of the Tenderer and Letter of Acceptance.*
- (d) Contract document should be invariably executed in cases of turnkey works or agreements for maintenance of equipment, provision of services etc.*
- (v) No work of any kind should be commenced without proper execution of an agreement as given in the foregoing provisions.*
- (vi) Contract document, where necessary, should be executed within 21 days of the issue of letter of acceptance. Non-fulfilment of this condition of executing a contract by the Contractor or Supplier would constitute sufficient ground for annulment of the award and forfeiture of Earnest Money Deposit.*
- (vii) Contracts should include provision for payment of all applicable taxes by the contractor or supplier.*
- (viii) "Lumpsum" contracts should not be entered into except in cases of absolute necessity. Where lumpsum contracts become unavoidable, full justification should be recorded. The contracting authority should ensure that conditions in the lumpsum contract adequately safeguard and protect the interests of the Government.*
- (ix) Copies of all contracts and agreements for purchases of the value of Rupees Twenty-five Lakhs and above, and of all rate and running contracts entered into by the Centers/Hospital/Departments should be sent to the concerned Accounts officer as the case may be.*
- (x) (a) The terms of a contract, including the scope and specification once entered into, should not be materially varied. (b) Wherever material variation in any of the terms or conditions in a contract becomes unavoidable, the financial and other effects involved should be examined and recorded and specific approval of the authority competent to approve the revised financial and other commitments obtained, before varying the conditions. (c) All such changes should be in the form of an amendment to the contract duly signed by all parties to the contract.*
- (xi) Normally no extensions of the scheduled delivery or completion dates should be granted except where events constituting force majeure, as provided in the contract, have occurred or the terms and conditions include such a provision for other reasons. Extensions as provided in the contract may be allowed through formal amendments to the contract duly signed by parties to the contract.*
- (xii) All contracts shall contain a provision for recovery of liquidated damages for*

- defaults on the part of the contractor.
- (xiii) *A warranty clause should be incorporated in every contract, requiring the supplier to, without charge, repair or rectify defective goods or to replace such goods with similar goods free from defect. Any goods repaired or replaced by the supplier shall be delivered at AIIMS premises without cost. In case of high cost or highly specialized equipments which are carved out on “turnkey” basis; The warranty clauses of the tender should be explicit, and shall be applicable on case to case basis.*
 - (xiv) *All contracts for supply of goods should reserve the right of AIIMS to reject goods which do not conform to the specifications.*

----- X -----

CHAPTER - 5

SPECIFICATION AND ALLIED TECHNICAL PARTICULARS OF GOODS.

5.1 Basic Guidelines

The important aspects to be kept in view while formulating the specifications and other technical particulars of the goods to be purchased are indicated in the following paragraphs.

The specifications of the goods shall meet only the actual and essential needs of the user because “over-specification” will unnecessarily increase the cost and may stifle competition. Specifications should aim at procuring the latest technology and avoid procurement of obsolete goods. Specifications should have emphasis on factors like efficiency, optimum fuel/power consumption, use of environmental-friendly materials, reduced noise and emission levels, low maintenance cost etc. Further, the specifications should not be too restrictive as the aim should be to attract reasonable number of competitive tenderers. The specifications should also take care of the mandatory and statutory regulations, if any, applicable for the goods to be purchased.

Wherever Indian/ International Standards exists for the required goods, the same should be adopted as far as possible. For any deviations from the Standards or for any additional parameters for better performance, specific reasons for deviations / modifications should be duly recorded with the approval of the competent authority.

In those cases where decision has been taken to procure imported items due to specific needs where International Standards (like US FDA, underwriters laboratories, CE [European or any other may be adopted] Where no international standards exist, the specifications shall be drawn in a generalized and broad-based manner to obtain competitive bids from different sources. Except in case of proprietary purchase from a selected single source, the specifications must not contain any

brand name, make or catalogue number of a particular manufacturer and if the same is unavoidable due to some compelling reasons, it should be followed by the words “or equivalent”. In order to ensure quality material in specific cases, the names of the reputed Brands as recommended by the competent committee (TSEC) considering the quality/past performance may be incorporated in the specifications (which shall be at least not less than three reputed manufacturers).

All dimensions incorporated in the specifications shall be indicated in metric units. If due to some unavoidable reasons, dimensions in FPS units are to be mentioned, the corresponding equivalents in the metric system must also be indicated.

The specifications and the technical details should be expressed with proper clarity without any ambiguity or double meaning. Wherever necessary, the written specifications should be supplemented with drawings for additional clarity etc.

Although, deciding tenders on the basis of tendered sample is generally considered subjective it may be required in specific situation in a super speciality hospital setup. Hence, wherever specifically decided due to reasons duly recorded with the approval of competent authority, tender sample clause can be incorporated in the specifications. If considered necessary, suitable stipulations for submission of advance sample (before starting bulk production) by the successful bidder may be incorporated in the specifications. However, in specific case, where the evaluation of the Tender Sample/Demo of the equipment is felt necessary by the TSEC, such a clause may be incorporated in the tender document.

5.2 Essential Technical Particulars

Technical particulars to be specified in the tender document shall include the following to the extent applicable for a particular purchase:

- i) Scope of supply including quantity required and, also, end use of the required goods.
- ii) Specifications, technical parameters and product requirements, *expressing the requirement in terms of functional characteristics.*
- iii) Drawings
- iv) Requirement of International Standard Rates USFDA/CE (European)/ UL (USA) etc. wherever applicable.
- v) Requirement of advance sample, if any, at post contract stage before bulk production.
- vi) Special requirements of packing and marking, if any.
- vii) Inspection procedure for goods ordered and criteria of conformity.
- viii) Requirements of special tests, if any.
- ix) Requirement of type test certificate, if any.
- x) Requirement of type approval for compliance of statutory requirements w.r.t. pollution, emission, noise, etc.
- xi) Training, technical support, after sales service turnkey installations and annual maintenance contract requirements, if any.
- xii) Warranty requirements.
- xiii) Qualification criteria of the tenderers.
- xiv) Any other aspects peculiar to the goods in question *like shelf life of the equipment etc.*
- xv) *In case of equipment, the original catalogue of the quoted model should be invariably accompanied with the technical bid.*
- xvi) *Satisfactory Performance Certificate from at least 3 users or as decided by the TSEC shall be invariably accompanied with the technical bid.*

5.3 Certification

The official / authority formulating the specifications should ensure and also certify that the specifications and the allied technical details are complete and correct to meet the user's requirements fully.

Note:- The composition of T.S.E.C. (depending on the value of equipment) is detailed in Appendix III.

----- x -----

CHAPTER - 6

MODES OF PURCHASE, RECEIPT AND OPENING OF TENDERS

6.1 General

Depending on the nature of the required goods, the quantity & value involved and the period of supply, the purchase organization is to decide the appropriate mode of purchase. The various modes of purchase to be adopted for this purpose are indicated in the subsequent paragraphs.

6.2 Approval of the competent authority to the purchase

Demand for Goods should not be divided into smaller quantities for making piecemeal purchases for the sole purpose of avoiding the necessity of obtaining the sanction of higher authority required with reference to the estimated value of the total demand. However, in exceptional circumstances, with the approval of the Competent Authority, the demand can be split as per requirement with valid, logical and convincing reasons which should be recorded in writing.

6.3 Purchase of Goods without Quotation (as per Appendix-I, S.No.1)

Purchase of goods (other than Patient Care Items) upto a value of Rs.15,000/- (Rs.Fifteen Thousand only) on each occasion may be made without inviting quotations/bids by the user / Senior most Store Officer concerned/Officer In-charge of Stores etc. on the basis of a certificate to be recorded by him in the following format:

"I, _____ am personally satisfied that these goods purchased are of the requisite quality and specification and have been purchased from a reliable supplier at a reasonable price."

6.4 Purchase of goods by Local Purchase Committee (as per Appendix-I, S.No.2)

Purchase of goods costing above Rs.15,000/- (Rs. Fifteen Thousand only) and upto Rs.1,00,000/- (Rs. One Lakh only) on each occasion may be made on the recommendations of a duly constituted Local Purchase Committee consisting of atleast three members from Stores, Finance & Indenting Officer (as nominated by the Head of Units/Departments/Sections). The committee will survey the market or may get the quotations (atleast from three prospective bidders) to ascertain the reasonableness of rate, quality and specifications and identify the appropriate supplier. Before recommending placement of the purchase order the members of the committee will jointly record a certificate as under:

"Certified that we _____, members of the purchase committee are jointly and individually satisfied that the goods recommended for purchase are of the requisite specification and quality, priced at the prevailing market rate and the supplier recommended is reliable and competent to supply the goods in question."

6.5 Purchase of Rate Contracted Goods

The respective stores sections of the Institute will conclude rate contracts with the prospective suppliers, for goods and items of standards types which are identified as common user items and are needed on recurring basis by various Hospital/Centres/Departments. The detailed procedure for conclusion of such rate contracts has been incorporated under **Chapter No.14**. The respective Stores section should post the specifications, prices and other salient details of different rate contracted items, appropriately updated, on its web site for use by the procuring Hospital /Centres / Departments. The Hospital /Centres / Departments are to operate those rate contracts to the maximum extent possible. In case a Hospital / Department / Centre directly procures such rate contracted goods from other suppliers, the prices to be paid for such goods shall not exceed those stipulated in the rate contract and the other salient terms and conditions of the purchase should be in line with those specified in the rate contract. The Hospital/Centres/Department shall make its own arrangement for inspection and testing of such goods where

required. However, in exceptional circumstances, with the approval of the competent authority, the purchase of such common items (upto a ceiling of Rs.1 lakh per annum) can also be made outside the ambit of the Rate Contract but within the approved rates.

6.6 Purchase of Goods by obtaining Tenders

Except for the purchase of goods through the methods given in the preceding paragraphs, Hospital/Centres/Departments shall procure goods within their delegated powers by following the standard method of obtaining tenders as follows:

- (i) Advertised Tender Enquiry (ATE)
- (ii) Limited Tender Enquiry (LTE)
- (iii) Single Tender Enquiry (STE)

6.7 Advertised Tender Enquiry (ATE)-- (as per Appendix-I, S.No.4 a)

Subject to exceptions incorporated under paragraphs 6.13 (Limited Tender Enquiry) and 6.25 (Single Tender Enquiry) below, invitation to tenders by advertisement should be used for procurement of goods of estimated value of (Rs. 5 lakhs and above in case of purchases of the Department and Rs.25 lakhs (Rupees Twenty Five Lakhs and above in case of centres/Hospital where Store Officer/Assistant Store Officer is there) and above.

Advertisement (in the form of a Tender Notice) relating to ATE should be given in the Indian Trade Journal (ITJ) published by the Director General of Intelligence and Statistics, Kolkata and at least in two national daily newspapers each in Hindi and English having wide circulation. Further, AIIMS having its own web site is also to publish all its tender notices (relating to ATEs) on its own web site and Government website provide a link with NIC web site.

6.8 Global Tender Enquiry (GTE)

Where the Departments / Centres feels that the goods of the required quality, specifications etc., may not be available in the country and/or it is also necessary to look for suitable competitive offers from abroad, the Hospital/Centres/Departments may send copies of the tender notice to the Indian Embassies abroad as well as to the Foreign Embassies in India requesting them to give wide publicity of the requirement in those countries.

They may also be requested to put the tender notice in their web sites. The selection of the embassies will depend on the possibility of availability of the required goods in such countries. Publicizing the requirement globally as above is also known as **Global Tender Enquiry**.

6.9 Time to be allowed for submission of tenders

Ordinarily, the minimum time to be allowed for submission of bids should be two weeks from the date of issue of enquiry (in case of LTE) and, in case of ATE/open tender three weeks from the date of publication of the tender notice or availability of the bidding document for sale, whichever is later should be allowed. Where the Hospital/Centres/Departments also contemplates obtaining bids from abroad, the minimum period should be kept as four weeks for both domestic and foreign bidders. **However, in cases of urgency, the time period can be curtailed with the approval of the competent authority.**

6.10 Text of Tender Notice

The tender notice for an ATI should be carefully drafted. It should contain all the salient features of the requirement in brief to give a clear idea to the prospective tenderers about the requirements. Superfluous or irrelevant details should not be incorporated in the tender notice, as it will increase the cost of the advertisement.

The Tender Notice should contain:

- ◆ Brief Description/Nomenclature of the goods and quantity
- ◆ Period and terms of delivery
- ◆ Cost of the tender/bidding document
- ◆ Place(s) and timing of sale of tender documents
- ◆ Place and deadline for receipt of tenders
- ◆ Place, time & date for opening of tenders
- ◆ Amount & Form of Bid Security / Earnest Money Deposit
- ◆ Any other important information

6.11 Cost of Tender Documents

Price of the tender document should take care of the preparation and

delivering cost only. If it is too high, it will discourage the prospective bidders to purchase the document and participate in the bidding process. The following will be the scale of charges for the sale of tender forms to the prospective bidders:

Estimated Value of Demand	Cost of Tender Documents
(i) Estimated value of demand is more than Rs.25 Lacs upto Rs.50 Lacs	Rs.500/-
(ii) Estimated value of demand is more than Rs.50 Lacs upto Rs.2 Crore	Rs.1,000/-
(iii) Estimated value of demand is more than Rs.2 Crores	Rs.2,000/-

6.12 Sale of Tender Documents

Tender documents should preferably be sold upto one day prior to date of opening of tenders and the same should be clearly indicated in the documents. It should also post the complete tender document in the web site and permit prospective tenderers to make use of the document downloaded from the web site. If the tender document is a priced one, there should be clear instructions for the tenderers in the document (which has been downloaded) to pay the amount by demand draft etc. along with the tender, prepared in the downloaded document.

The sale of tender documents against ATE should not be restricted and should be available for sale freely.

The purchase organization shall maintain proper records about the number of tender documents sold, list of parties to whom sold, details of the amount received through sale and, also, the number of unsold tender documents, which are to be cancelled after the opening of the tenders.

6.13 Limited Tender Enquiry (LTE) - (as per Appendix-I, S.No.6)

This method may be adopted when estimated value of requisite goods/ items to be procured is up to **Rs. 5 lakhs in case of Departments where there is no Store Officer/ASO and upto Rs.25 lakhs in each case for the Centres/Hospital where Store Officer/ASO is there.** Copies of the bidding document should be sent, free of cost, directly by speed post/registered post/courier/e-mail, simultaneously to all the prospective bidders in addition to DGS&D Regd. suppliers (if any). The number of supplier firms in LTE should be more than three. Efforts should be made to identify a higher number of prospective bidders to obtain more responsive bids on competitive basis. Web site publicity

should also be given for LTEs. **However, the individual departments/sections (which do not have a separate Stores Officer/ASO) are empowered to issue LTE only for the estimate value of demand costing upto Rs.5 Lacs and where the estimated value of demand exceeds Rs.5 Lacs, the LTE should invariably be floated through the concerned Stores Division following the above procedure.**

Purchase through LTE may be adopted even when the estimated value of the procurement is more than Rs.25 lakh per annum, in the following circumstances:

- (a) The competent authority in the Hospital /Centres / Departments certifies that the demand is urgent and any additional expenditure involved by not procuring through advertised tender enquiry is justified in view of urgency. The Hospital /Centre/Department should also put on record the nature of the urgency and reasons why the procurement could not be anticipated earlier.
- (b) There are sufficient reasons, to be recorded in writing by the competent authority, indicating that it will not be in public interest to procure the goods through advertised tender enquiry.
- (c) The sources of supply are definitely known and possibility of fresh source(s) beyond those being tapped is remote.
- (d) Nature of items to be procured is such that pre-verification of competence of firm is essential like in case of medicines, specialized surgical consumables, life saving items etc. where Limited Rate Inquiry is issued to reputed firms in accordance with recommendations of user clinical departments & Drugs Selection Committee.

6.14 Pre-Bid Conference/Meeting

The Pre-Bid Conference/Meeting involves formal interaction with prospective manufacturers/suppliers after framing draft specifications for specialized sophisticated items before the last date of submission of technical bid. The technical committee shall hold a pre-bid conference/meeting to finalize the specifications (if felt necessary) of the required item as per following:

- a) On an assigned date, the prospective manufacturers/ suppliers or their authorized channel partners and agents may be called for

discussion with the committee on the aspects of utility, technology, feature, literature, design, technical parameters, clientele, and other related issues of the equipment and material.

- b) If need is felt, separate demonstration/ presentation can also be sought from the prospective vendors at convenient time and interval at the Centres/Departments or in specific cases demo can be held by the committee of the TSEC at suppliers premises or any other installation in India for which approval of the Competent Authority may be necessary.
- c) The amended final specifications/terms & conditions (if any) will be uploaded on the AIIMS website only for the information of bidders. They are advised to check the website before submitting the tender.

6.15 Format of Tender

The tenderers are to furnish their quotations as per the prescribed format and also as per the instructions incorporated in the tender documents. Quotations sent by telex, cable, e-mail or facsimile are to be ignored and rejected.

6.16 Sealing and Marking of Tenders

The tenderer is to seal the original tender in an envelope, duly marking the same as “original” and also putting the address of the purchase office and the tender reference number on the envelope. Further, the sentence “NOT TO BE OPENED” before (due date & time of tender opening) are also to be put on these envelopes. The separate technical & financial bids in inner envelopes are then to be put in a bigger outer envelope, which will also be duly sealed marked etc. as above. If the outer envelope is not sealed and marked properly as above, the purchaser will not assume any responsibility for its misplacement, premature opening, late opening etc.

All the above instructions are to be suitably incorporated in the tender documents.

6.17 Extension of Tender Opening Date

Sometimes, situations may arise necessitating modification of the tender documents already issued (LTE case) or already put on sale (ATE case). Also, after receiving the documents, a tenderer may point out some genuine mistakes necessitating amendment in the tender documents. In such situations, it is necessary to amend/modify the tender documents suitably prior to the date of submission of bids. Copies of such amendment / modification should be simultaneously sent to all the selected suppliers by registered/speed post/courier/e-mail in case of LTE. In case of ATE, the copies of such amendment / modification are to be simultaneously dispatched, free of cost, by registered/speed post/courier/e-mail, to all the parties who have already purchased the tender documents and copies of such amendments are also to be prominently attached in the unsold sets of the tender documents (which are available for sale), including the tender documents put in the web site.

When the amendment/modification changes the requirement significantly and /or when there is not much time left for the tenderers to respond to such amendments, and prepare revised tender, the time and date of submission of tenders are also to be extended suitably, along with suitable changes in the corresponding time-frames for receipt of tender, tender validity period etc and validity period of the corresponding EMD/bid security. Depending on the situation, such an amendment may also need fresh publication in the AIIMS Website.

6.18 Amendments / Modifications to Tenders

The tenderer, after submitting its tender, is permitted to submit alterations/modifications to its tender so long such alterations/modifications are received duly sealed and marked like original tender, upto the date & time of receipt of tender. Any amendment/modification received after the prescribed date & time of receipt of tenders are not to be considered. Para 7.2 (Forfeiture of EMD) of Chapter 7 also refers in this regard.

6.19 Receipt and Custody of Tenders

Receipt and custody of tenders shall be done in a transparent manner. Tenders are to be received through tender box and, in its absence, by hand delivery to the nominated officials of the purchase department.

The tender box should be located in a place, which is easily accessible to the parties for dropping their tenders. The tender box shall remain locked and the key with the safe custody of the concerned Stores Officer/ASO. On each occasion of tender opening, the tender box will be opened by the Stores Officer/ASO concerned at the prescribed date and time (as per the date & time specified for receipt of tenders) and the relevant tenders will be taken out. In the tender box, there may be tenders for other cases due for opening later; such tenders are to remain in the tender box under lock and key. The tenders so taken out are to be entered in the Tender Opening Register duly signed with date and time by the two officials and sent to the officials authorized to open the tenders. Signatures of the receiving officials will be obtained on the duplicate copy of the challan for record. There should be at least two officials nominated for opening of tenders; para 6.21 of this chapter refers. In case of user specified items, the concerned user faculty (as nominated by the HOD) will be co-opted during the bid opening.

There may be cases where the tenders are too bulky to be put in the tender box or the purchase office is yet to install tender box and, therefore, the tenders are to be submitted by hand. In such cases, it should be ensured that names and designations of at least two officers, who will receive the tenders, are prominently mentioned in the tender documents. The information about these officers should also be displayed at the entrance / reception of the concerned Stores Department where tenders are to be deposited. A separate register is to be maintained for keeping records of the bids, received by hand. Such bids will be kept in safe custody with the head of the office or his authorized representative till the date & time of bid opening and then such bids will be handed over to the bid opening officer, in identical manner as mentioned in the previous paragraph.

Sometimes, tenders are also received by post. Such tenders shall be

received and documented in identical manner as applicable for tenders received through hand delivery.

6.20 Late Tender

In the case of advertised tender enquiry or limited tender enquiry, late tenders (i.e., tenders received after the specified date and time for receipt of tenders) should not be considered.

6.21 Opening of Tenders

All the tenders received on time shall be opened in the presence of authorized representatives of the tenderers (who have submitted regular tenders) at the prescribed time, date and place. The authorized representatives, who intend to attend the tender opening, are to bring with them letters of authority/Identity Card/any other proof of Identity from the corresponding tenderers.

Tenders should be opened immediately after the deadline of receipt of tenders with minimum time gap in between. At least two of the three duly authorized officials, one from the purchase department, one from the Finance Division and concerned user faculty or his/her nominee should jointly open the tenders.

The tender opening officials are to announce the salient features of the tenders like Brief Description/Nomenclature and Catalogue/Model of the goods, quoted price, terms of delivery, delivery period, discount if any, whether EMD furnished or not and any other special feature of the tender for the information of the representatives attending the tender opening.

After opening, every tender shall be numbered serially, initialled, and dated on the first page by all the officials authorized to open the tenders. Each page of the price schedule or letter attached to it shall also be initialled by them with date, particularly the prices, delivery period etc., which shall also be circled and initialed with date. Blank tenders, if any, should be marked accordingly by the tender opening officials.

Alterations in tenders, if any, made by the tenderers, shall be initialed with date & time by the officials opening the tenders to make it perfectly clear that such alterations were present on the tenders at the time of opening.

Wherever any erasing or cutting is observed, the substituted words should also be encircled and initialed with date & time to make clear that such erasing/cutting of the original entry was present on the tender at the time of opening.

6.22 Responsibility of the Tender Opening Officials

In addition to what has been mentioned in para no.6.21 above, the tender opening officials will prepare a list of the representatives attending the tender opening and obtain their signatures on the same. The list will also contain the representatives' names and the corresponding tenderers' names & addresses. This list will be signed by both the tender opening officials with date & time.

An on-the-spot report containing the names of the tenderers (serial number wise) salient features of the tenders, as read out during public opening of tenders will be prepared by the tender opening officers duly signed by them with date & time.

6.23 E - Procurement

Purchase of goods through electronic mode of interface with tenderers and IT enabled management of the entire procurement process (notice inviting tenders, supply of tender documents, receipt of bids, evaluation of bids, award of contract, and execution of contract through systematic enforcement of its various clauses and tracking of claims, counter-claims and payments) is gradually gaining popularity. In order to cut down transaction costs and improve efficiency and transparency, the Government aims to make it mandatory for all. The Hospital/Centres/Departments have already been directed to publicize all their tenders on their websites as the first step towards full-fledged e-procurement. The Hospital/Centres/Departments are advised to proactively engage themselves in articulating user needs in the development of IT systems for e-procurement. The system should be secure, capable of maintaining complete confidentiality at appropriate stages of the bidding process, so that the tenderers feel confidence in electronically transmitting their queries and bids.

6.24 Two Bid System

For purchasing capital equipment, high value plant, machinery, etc. of complex and technical nature, tender enquiry document, complete in all respects, may be issued as usual. However, tenderers should be asked to bifurcate their quotation in two parts. The first part is to contain the relevant technical specifications and allied commercial details as required in terms of the tender enquiry documents and the second part should contain only the price quotation. The first part is commonly known as 'Technical Bid'(Techno-commercial) & the second part 'Financial Bid'(Price Bid).

The technical bid and the financial bid should be sealed by the tenderer in separate covers duly super scribed and both these sealed covers are to be put in a bigger cover which should also be sealed and duly super scribed following similar procedure as prescribed under para 6.16 of this chapter. The technical bids are to be opened in the first instance, at the prescribed time & date and the same will be scrutinized and evaluated by the competent committee/authority with reference to parameters prescribed in the tender documents and the offers received from the tenderers. Thereafter, in the second stage, the financial bids of only the technically & commercially acceptable offers (as decided in the first stage above) are to be opened for further scrutiny, evaluation, ranking and placement of contract.

6.25 Single Tender Enquiry (STE)/Proprietary article (Item) procurement

Obtaining quotation by issuing single tender enquiry to a selected source amounts to purchase without generating competition. Therefore this mode of purchase should be resorted to only in unavoidable situations.

Purchase through STI may be adopted when:

- i) It is in the knowledge of the user department (consisting of atleast 3 faculties of similar discipline) that only a particular firm is the manufacturer of the required goods. The reason for arriving to this conclusion is to be recorded and approval of the competent authority obtained.
- ii) In a case of emergency, the required goods are necessarily to be purchased from a particular source subject to the reason for such decision being recorded and approval of the competent authority obtained.

- iii) For standardization/upgradation of machinery or components or spare parts to be compatible to the existing sets of machinery/equipment (on the advice of a competent technical expert and approved by the competent authority), the required goods are to be purchased only from a selected firm.
- iv) The proposals of proprietary purchase other than spare parts, accessories of the existing equipment and chemical reagents for closed systems may be put up on Institute Website for a period of two weeks for the information of public. In case, some response is received the same should be put up before the user for their comments. In case, no comments /representations are received, the proposal of proprietary purchase may be further processed for purchase with the approval of competent authority.

6.26.0 Purchases on the basis of “Proprietary Usage” :

6.26.1 There may be instances where an user department has been using for an on-going assignment/running project, an equipment/apparatus/machinery/instrument chemical or any other item of non-consumable or consumable nature and may need the same material or any material from the same source for that assignment / project to ensure that consistency and continuity is maintained with already established analytical methods/ protocols and with Standard Operating Procedure (SOP). In such a situation the item can be indented and Purchased on the basis of what may be called “Proprietary Usage”. The user department has to certify that the purchase is proposed to be made on proprietary usage basis because any other material/equipment/instrument chemical, etc. if used will lead to deviation and affect the integrity/ accuracy, validity or analysis of the assignment/patient care.

6.26.2 For cases under proprietary usage, the constitution of TSEC shall not be required. For indenting such item, the user department shall have to furnish a certificate as after which the indent shall be processed for procurement by the concerned Stores Officer directly without referring to any committee.

The proposals of proprietary purchase other than spare parts, accessories of the existing equipment and chemical reagents for closed systems may be put up on Institute Website for a period of two weeks for the information of public. In case, some response is received the same should be put up before the user for their

comments. In case, no comments /representations are received, the proposal of proprietary purchase may be further processed for purchase with the approval of competent authority.

6.26.3 Before processing the PAC proposal, the same should be kept on AIIMS Website for 2 week time for information in public domain.

Note: Proprietary Article Certificate as per the form prescribed in Annexure– F(a) &(b) is to be provided by the Hospital/Departments/Centres before procuring the goods from a single source under the provision of sub-para (i) & (iii) above as applicable: **Before processing the PAC proposal, the same should be kept on AIIMS website for 15 days time for seeking open information, objection from public domain regarding Proprietary of item.**

6.27.0 Emergency Purchase & Covering Supply Orders :

6.27.1 Local Purchase of Medicines/ Surgical items in the Hospital/Centres can be made through the approved Local Purchase Chemists selected through tender process as per the agreement as the requirement for Hospital/EHS/ VVIP care irrespective of monetary limit for the items required in Limited Quantity to meet the urgency with no bar of R/C.

6.27.2 In case of exigencies only the material may be arranged on urgent basis and covering supply orders may be issued after receipt of material within a week time, with the approval of Competent Authority.

6.27.3 Purchase through Imprest :-

6.28 Permanent advance or Imprest for meeting day to day contingent and/or emergent expenditure may be granted to a government servant by the DDA/MS/Chiefs of Centres in consultation with Internal Finance Wing, keeping the amount of advance to the minimum required for smooth functioning.

CHAPTER - 7

EARNEST MONEY AND PERFORMANCE SECURITY

7.1 Earnest Money Deposit (EMD)

Earnest Money Deposit (EMD) is also known as Bid Security. To safeguard against a bidder's withdrawing / altering its bid during the bid validity period in the case of advertised or limited tender enquiry, EMD is to be obtained, invariably, from all the bidders. The bidders are required to furnish EMD along with their bids. Amount of EMD should ordinarily be between 2% to 5 % of the estimated value of the goods. Depending on the type of goods to be purchased, total value of purchase and urgency of requirement, the exact amount of EMD should be decided by the Hospital / Centre and indicated in the tender enquiry document. Where the quantum of work cannot be assessed (for e.g. in Rate contract tenders), the EMD may be fixed in 'Lumpsum' as decided by the TSEC.

The EMD may be accepted in the form of Account Payee Demand Draft, Fixed Deposit Receipt, Banker's Cheque or a Bank Guarantee in acceptable form from any of the Scheduled Banks, safeguarding the purchaser's interest in all respects. A model format of Bank Guarantee for obtaining EMD is provided at of Chapter 16. The EMD (Bank Guarantee) should remain valid for a period of 60 days beyond the final tender validity period.

7.2 Forfeiture of EMD

EMD of a tenderer will be forfeited, if the tenderer withdraws or amends its tender or impairs or derogates from the tender in any respect within the period of validity of its tender. Further, If the successful tenderer fails to furnish the required performance security within the specified period, its EMD will be forfeited.

7.3 Refund of EMD

EMD furnished by all unsuccessful tenderers should be returned to them without any interest whatsoever, at the earliest after expiry of the final tender validity period but not later than 30 days after conclusion of the contract. EMD of the successful tenderer should be returned, without any interest whatsoever, after receipt of performance security from it as called for in the contract.

7.4 Performance Security

To ensure due performance of the contract, Performance Security is to be obtained from the successful bidder awarded the contract. Performance Security is to be obtained from every successful bidder. Performance Security should be for an amount of five to ten per cent. of the value of the contract. Performance Security can be furnished in form of an Account payee Demand Draft, Fixed Deposit Receipt from a Scheduled bank or Bank Guarantee from a Scheduled bank in an acceptable form safeguarding the purchaser's interest in all respects. Performance Security is to be furnished by a specified date (generally within 21 days after notification of the award) and it should remain valid for a period of 60 days beyond the date of completion of all contractual obligations of the supplier, including warranty obligations.

7.5 Forfeiture of Performance Security

Performance Security is to be forfeited in the event of a breach of contract by the supplier, in terms of the relevant contract.

7.6 Refund of Performance Security

Performance Security should be refunded to the supplier without any interest, whatsoever, after it duly performs and completes the contract in all respects but not later than 60 days of completion of all such obligations under the contract.

7.7 Verification of the Bank Guarantees

Bank Guarantees submitted by the tenderers / suppliers as EMD / Performance Security need to be immediately verified from the issuing Bank before acceptance.

7.8 Safe Custody and Monitoring of EMDs, Performance Securities & Other Instruments

Suitable mechanism for safe custody, etc. and monitoring of EMDs and Performance Securities and other Instruments should be evolved and implemented by the Hospital/Centres/Department. The Hospital/Centres/Departments shall also make institutional arrangements for taking all necessary actions on time for extension or encashment or refund of EMDs and Performance Securities, as the case may be. Monitoring should also include a monthly review of all Bank Guarantees and other instruments expiring after 3 months, along with a review of the progress of the corresponding contracts. Extension of Bank Guarantees and other instruments, where warranted, should be sought immediately and implemented within their validity period.

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CHAPTER - 8

DELIVERY PERIOD, TERMS OF DELIVERY, TRANSPORTATION, TRANSIT INSURANCE, DELAY IN SUPPLY, CANCELLATION OF CONTRACT

8.1 Introduction

In this chapter, the issues concerning Delivery Schedule including Transportation & Transit Insurance and various aspects covering Delays in Supply have been discussed.

8.2 Delivery Period

The period for delivery of the ordered material & supply items should be 60 days for indigenous items and in case of imported equipment 60 days from the date of establishing of letter of credit upto the date of bill of lading of the concerned item. The installation and commissioning of the equipment should be completed within the period of 4 months from the date of establishing of letter of credit upto the date of bill of lading of the concerned item. This must be properly specified in the contract with definite dates and the same shall be deemed to be the essence of the contract. Expressions such as 'immediate', 'ex-stock', "as early as possible", 'off the shelf', etc. must not be used to indicate contractual delivery period. In case of exigencies, where the supplies are arranged telephonically on urgent basis (after verification of rates), to complete the paper formalities the orders shall be placed after receipt of materials in good condition, with the specific approval/sanction of the Competent Authority. In such cases, the Delivery Period column in the Supply Order may be indicated as "Covering".

8.3 Terms of Delivery

The terms of delivery is decided depending on the nature of goods to be purchased, transportation facility available, location of the user, location of the prospective suppliers etc. Terms of delivery *inter alia* determine the delivery point of the ordered goods from where the purchaser is to receive / collect the goods. Terms of delivery have direct bearing on the quoted prices.

8.4 Linkage between Terms of Delivery & Date of Delivery

Delivery dates in respect of contracts incorporating standard and commonly used terms of delivery shall be deemed to be as follows:-

Terms of Delivery used in various contracts	Date of Delivery
Ex-Works	The date the supplier delivers the goods to the purchaser at its (supplier's) factory/premises.
FOR, Destination	The date on which the ordered goods reach the destination specified in the contract.
CIP, Destination (CIP stands for Carriage and Insurance paid)	The date on which the delivery is effected at the destination mentioned in the contract.
Local Delivery at Site	The date on which the delivery is made at the consignee's site mentioned in the contract.
FAS, port of shipment (FAS stands for Free Alongside Ship)	The date on which the supplier deliver the goods alongside the vessel at the specified port of shipment. This date is reflected in the Bill of Lading.
FOB, port of shipment (FOB stands for Free on Board)	The date on which the supplier delivers the goods on vessel's board at the specified port of shipment. This date is reflected in the Bill of Lading.
CIF/CIP, port of destination (CIF/CIP stands for Cost, Insurance and Freight)	The date on which the goods arrived at the destination port.

NB: The FAS, FOB & CIF/CIP terms of delivery are applicable for goods which are directly imported from foreign countries against the subject contract and not imported already by the supplier under its own arrangement. **The CIF/CIP terms of delivery may be applied both for imported supplies.**

8.5 INCOTERMS

Unless otherwise specifically agreed to by the purchaser and the supplier and incorporated in the contract, the applicable rules & regulations for transportation of goods from foreign countries will be as per the contemporary version of International Commercial Terms (Incoterms) evolved by International Chamber of Commerce, Paris. Incoterms are the official rules for worldwide interpretation about the duties, obligations, etc. of the buyer and the seller for transportation of the goods from seller's country to buyer's country. Incoterms are recognised by the United Nations Commission on International Trade Law (UNCITRAL) as the global standard for such interpretation. The purchasing Centre/Department, while ordering goods for importation from foreign countries are to take note of the same.

8.6 Air Consignment

As per the extant directive of the Government, airlifting of the imported goods from abroad will be done **preferably through Air India or through any other International Airlines in case Air India flight is not available**. However, before processing any contract involving import of goods through air, contemporary instructions in this regard may be ascertained and followed.

8.7 Insurance

Wherever necessary, the goods supplied under the contract, shall be fully insured in a freely convertible currency against loss or damage incidental to manufacture or acquisition, transportation, storage and delivery in the manner specified in the contract. If considered necessary, the insurance may be done for coverage on "all risks" basis including war risks and strike clauses. The amount to be covered under insurance should be sufficient to take care of the over all expenditure to be incurred by the purchaser for receiving the goods at the destination.

Note:

Where delivery of imported goods is required by the purchaser on CIF/CIP basis, the supplier shall arrange and pay for marine/air insurance, making the purchaser as the beneficiary. Where delivery is on FOB/FAS basis,

marine/air insurance shall be the responsibility of the purchaser.

In case FOB orders are placed, Insurance of imported goods/equipments would need to be arranged on a very selective basis.

8.8 Distribution of Dispatch Documents for Clearance/Receipt of Goods

The supplier shall send all the relevant dispatch documents well in time to enable the purchaser clear or receive (as the case may be) the goods in terms of the contract. Necessary instructions for this purpose are to be incorporated in the contract. The usual documents involved and the drill to be followed in general for this purpose are as follows:

For Imported Goods

Within 24 hours of dispatch, the supplier shall notify the purchaser, consignee, (others concerned), the complete details of dispatch and also supply following documents by air mail / courier (or as instructed in the contract):

- a) Supplier's Invoice giving full details of the goods including quantity, value, etc.;
- b) Packing list;
- c) Certificate of country of origin;
- d) Manufacturer's guarantee and Inspection certificate;
- e) Inspection certificate issued by the Purchaser's Inspector;
- f) Insurance Certificate;
- g) Name of the Vessel/Carrier;
- h) Bill of Lading/Airway Bill;
- i) Port of Loading;
- j) Date of Shipment;
- k) Port of Discharge & expected date of arrival of goods and
- l) Any other document(s) as and if required in terms of the contract.

8.9 Delay in Supplies for which Supplier is not responsible

Normally, in the following circumstances, the contractual delivery period

needs to be re-fixed to take care of the lost period, without imposing any penalty to the supplier.

- i) Cases where the manufacture of stores is dependent on the approval of the advance sample and delay occurs in approving the sample though submitted by the supplier in time.
- ii) Where extension in delivery period is granted on account of some omission on the part of the purchaser which affects the due performance of the contract by the supplier or supplier received the order late.
- iii) **Cases where regulatory / statutory clearance is required at multiple steps (for eg. AERB, custom, etc.)** The delivery can be re-fixed to make a contract a 'severable' contract without the specific agreement of the supplier, if the delivery originally stipulated in the contract was in the form of an 'entire' contract.

8.11 Force Majeure

Force Majeure means an event beyond the control of the supplier and not involving the supplier's fault or negligence and which is not foreseeable. Such events may include, but are not restricted to, acts of the purchaser either in its sovereign or contractual capacity, wars or revolutions, hostility, acts of public enemy, civil commotion, sabotage, fires, floods, explosions, epidemics, quarantine restrictions, strikes, lockouts, and freight embargoes.

If there is delay in performance or other failures by the supplier to perform its obligation under its contract due to event of a Force Majeure, the supplier shall not be held responsible for such delays/failures.

If a Force Majeure situation arises, the supplier shall promptly notify the purchaser in writing of such conditions and the cause thereof within twenty-one days of occurrence of such event. Unless otherwise directed by the purchaser in writing, the supplier shall continue to perform its obligations under the contract as far as reasonably practical, and shall seek all reasonable alternative means for performance not prevented by the Force Majeure event.

If the performance in whole or in part or any obligation under this contract is prevented or delayed by any reason of Force Majeure for a period exceeding sixty days, either party may at its option terminate the contract without any financial repercussion on either side.

There may be a Force Majeure situation affecting the purchase organization only. In such a situation the purchase organization is to take up with the supplier on similar lines as above for further necessary action.

8.12 Remedies to Purchaser for delay in Supply / Non-Supply for which Supplier is responsible

The purchaser has the following options depending upon the circumstances of the case:

- i) Extend the delivery with imposing of liquidated damages and other denial clauses
- ii) Forfeit the performance security
- iii) Cancel the contract
- iv) Impose other available sanctions/penalties

8.13 Liquidated Damages

There should be a suitable provision in the terms & conditions of the contract for claiming liquidated damages of appropriate amount from the supplier to take care of delays in supplies and performance, for which the supplier is responsible. Such recovery through liquidated damages should be without prejudice to the other remedies available to the purchaser under the terms of the contract. Depending on the nature and value of the goods to be ordered and the urgency of the requirement, a specific percentage of the delivered price of the delayed goods (or delayed services) for each week or part thereof delay, is to be incorporated in the contract terms. There should also be an appropriate maximum limit of such deduction, to be shown as a specific percentage of the contract value of delayed supplies/services and incorporated in the contract terms. This percentage is generally 10%. Any lower ceiling should be clearly justified while formulating the contract. However, the decision of the competent authority will be final and binding for waving or

imposing of penalty depending upon the merit of the case. Wherever, part of the supply has been made within due date (of delivery) Liquidated damages will be proportionately imposed on the remaining part.

8.13.1 Token Liquidated Damages.

There may be situations when charging full Liquidated Damages may not be justified as the reasons for delay in delivery by the supplier may be largely due to circumstances well beyond under his control but nevertheless these may not considered adequate to waive off liquidated damages altogether or there may be such deficiencies in service for which quantification may not be feasible and no other remedy may be available. In such cases, at the sole discretion of the purchaser, Token Liquidated Damages up to 10% of the normal Liquidated Damages may be imposed by the Competent Authority. Stipulations to this effect, prescribing the kind of deficiencies and scale of Token Liquidated Damages chargeable should be clearly brought out in the tender documents.

8.14 Extension of Delivery Period

If the supplier is unable to complete the supply within the stipulated delivery period for which the supplier is responsible, it (supplier) is required to request for extension of delivery period. If the purchaser agrees to extend the contractual delivery schedule, the same may be done by issue of an amendment to the contract beyond new date of delivery with imposition of liquidated damages for delay. The amendment letter is to mention, *inter alia* that, in addition to imposition of liquidated damages, no extra price or additional cost for any reason whatsoever beyond the contractual cost will be paid to the supplier for the delayed supply. At the same time, if for any reason, whatsoever, the cost of the goods to be supplied/services to be performed by the supplier decreases, that benefit will be passed on to the purchaser. Supplier's unconditional acceptance of the amendment by a specified date is to be watched and if the supplier does not agree to accept the amendment letter, further action is to be taken against the supplier in terms of the contract.

Two model amendment letters for extension of contract delivery period on above lines for FOB/FAS/CIF contract and other forms of contract are given at **Annexures `J`**. However, the decision of the competent authority is final and binding with respect to extension of Delivery of Period with or without LD depending upon the merit of the case.

8.15 Performance Notice

A situation may arise where the supply/services has not been completed within the stipulated period due to negligence / fault of the supplier; however the supplier has not made any request for extension of delivery period but the contracted goods/services are still required by the purchaser and the purchaser does not want to cancel the contract at that stage. In such a case, a Performance Notice (also known as Notice-cum-Extension Letter) may be issued to the supplier by suitably extending the delivery date and by imposing liquidated damages with denial clauses etc. Supplier's acceptance, etc. of the performance notice and further action thereof should also be processed in the same manner as mentioned above. The text of the Performance Notice will be on similar lines to the model extension letters available at **Annexure `J`** with suitable modifications as required. First two paragraphs of a model Performance Notice is given at **Annexure `K`** .

8.16 Dispatch of Goods after expiry of Delivery Period

As per the contract terms, the supplier is bound to supply the goods within the delivery period. In case the supplier makes any supply after expiry of delivery period, the purchaser/consignee can reject the supplies and inform the supplier accordingly; the purchaser shall also have the right to cancel the contract (w.r.t. unsupplied goods) in terms of the contract.

If, however, the purchaser / consignee requires the goods (which has been supplied after expiry of the delivery period), the purchaser may accept the goods and issue a delivery extension letter with usual LD clause and denial clauses, as mentioned earlier, to regularize the transaction.

8.17 Cancellation of Contract for Default

The purchaser may, without prejudice to any other remedy for breach of contract, by written notice of default sent to the supplier, terminate the contract in whole or in part:

- a) If the supplier fails to deliver any or all of the stores within the time period(s) specified in the contract, or any extension thereof granted by the Purchaser; or
- b) If the supplier fails to perform any other obligation under the contract within the period specified in the contract or any extension thereof granted by the purchaser.

In the event the purchaser terminates the contract in whole or in part; the purchaser may take recourse to any one or more of the following action.

- a) the Performance Security is to be forfeited;
- b) the purchaser may procure, upon such terms and in such manner as it deems appropriate, stores similar to those undelivered, and the supplier shall be liable for all available actions against it in terms of the contract.
- c) however, the supplier shall continue to perform the contract to the extent not terminated.

Before cancelling the contract and taking further action, it may be desirable to obtain advice from the user department with the approval of the competent authority.

8.18 Termination of Contract for insolvency

If the supplier becomes bankrupt or otherwise insolvent, the purchaser may, at any time, terminate the contract, by giving written notice to the supplier, without compensation to the supplier provided that such termination will not prejudice or affect any right of action or remedy which has accrued or will accrue thereafter to the purchaser.

8.19 Termination of Contract for Convenience

After placement of contract, there may be some unforeseen situation compelling the purchaser to cancel the contract. In such a case, the purchaser is to send a suitable notice to the supplier for cancellation of the contract, in whole or in part, for its (purchaser's) convenience, *inter alia*, indicating the date with effect from which the termination is to become effective. Depending on the merits of the case, the purchase organization may have to suitably compensate the supplier on mutually agreed terms for terminating the contract.

Suitable provisions to this effect are to be incorporated in the tender document as well as in the resultant contract.

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CHAPTER - 9

ELEMENTS OF PRICE AND TERMS OF PAYMENT

9.1 Introduction

The elements of price included in the quotation of a tenderer depend on the nature of the goods to be supplied and the allied services to be performed, location of the supplier, location of the user, terms of delivery, extant rules and regulations about taxes, duties, etc. of the seller's country and the buyer's country.

In case of indigenous goods, the main elements of price are raw material price, production cost, overhead, packing & forwarding charges, margin of profit, transit insurance, excise duty and other taxes and duties as applicable. In case of imported goods, in addition to similar elements of price as above (other than excise duty and taxes), there may be elements of custom duty, import duty, landing and clearing charges and commission to Indian agents.

It is, therefore, necessary that, to enable the tenderers to frame their quotations properly in a meaningful manner, the tender documents should clearly specify the desired terms of delivery and, also the duties and responsibilities to be performed by the supplier in addition to supply of goods.

Where the price has several components like price of the goods, costs for installation & commissioning operators' training etc. the tenderers should be asked to furnish the cost break-up indicating the applicable prices for each such component (as specified and desired in the tender enquiry document) along with the overall price. Wherever a pre-specified format has been provided for price bids, tenderers should submit accordingly.

9.2 Currency

The tender documents are to specify the currency (currencies) in which the tenders are to be priced. As a general rule, domestic tenderers are to quote and accept their payment in Indian currency; Indian agents of foreign suppliers are to receive their agency commission in Indian currency; costs of imported

goods, which are directly imported against the contract, may be quoted in foreign currency (currencies) and paid accordingly in that currency; and the portion of the allied work and services, which are to be undertaken in India (like locally supplied items, IAC, Turnkey, etc.) are to be quoted and paid in Indian currency. In case the Indian subsidiary or authorised distributor of the foreign firm, quotes for imported equipment/materials in Indian currency; the shipping documents have to be submitted along with the supplies Cross warranty terms from the foreign firm shall also apply as per tender terms & conditions. The payment shall be made in Indian currency and no Custom Duty Exemption Certificate (CDEC) will be provided from the Institute.

9.3 Duties and Taxes on Domestic Goods

The duties and taxes including excise duty and VAT levied by the Government on domestic goods vary from product to product. As a general policy, the statutory variations in such duties & taxes are to be allowed during the period from the date of tender to the date of acceptance of the tender (i.e. placement of contract) and during the original delivery period of the contract so that both the supplier and purchaser are equally compensated for rise or fall in the prices of the goods on account of such statutory variations.

In the tender enquiry conditions, the tenderers, wherever applicable, should be asked to specifically state in their offer whether they intend to ask for the duties and taxes as extra over and above the prices being quoted. In the absence of any indication to this effect by the tenderers, it is to be assumed that the prices quoted include these elements and no claim for the same will be entertained after opening of tenders and during the currency of the resultant contract. However, where the tenderer in its quotation mentions that the prices are exclusive of statutory duties & taxes and the same will be payable extra, this condition should be incorporated in the resultant contract in clear terms. Sometimes, the tenderer, in its tender mentions that its quotation includes current rates of taxes and duties as applicable and statutory variations, if any at the time of supply will be applicable. This condition may be acceptable. However, correctness of the taxes and duties quoted by a tenderer as applicable during that period is to be verified while considering its tender. Also, only statutory variations, and not any other type of variations are allowed.

Note: Sales tax is not leviable on transactions of sale in the course of import.

Categories of cases constituting sale in course of Import are:

- a) Where the movement of goods from the foreign country to India is occasioned directly as a result of the sale.
- b) Where there is a privity of contract between the foreign supplier and the purchase organization.
- c) Where the Indian supplier acts as the agent of the foreign manufacturer in the agreement of the sale.

9.4 Custom Duty on Imported Goods

The Government has allowed exemption from payment of customs duty in respect of certain types of goods for use by the following organizations. On the part of custom duty only countervailing duty is required to be paid:

- i) Scientific and technical instruments imported by Research Institutes.
- ii) Hospital equipment imported by Government Hospitals.
- iii) Consumable goods imported by a public funded Research Institution or a University.

However, to avail of such exemptions, the organizations are required to produce “Custom Duty Exemption Certificate” at the appropriate time.

At present, AIIMS is making payment of applicable custom duty for all imported consignments being cleared from customs. The current Countervailing Duty (CVD) charges are @ 11.64% (incl. surcharge & educational cess) for all teaching/patient care equipments; and @ 5% for Research equipments. The Basic Customs Duty (BCD) is exempted on all imported equipments.

9.5 Octroi and Local Taxes

The goods supplied against contracts placed by Ministry / Department are generally exempted from levy of Town Duty, Octroi Duty, Terminal Tax and other Levies of local bodies. The suppliers should be informed accordingly by incorporating suitable instructions in the tender enquiry document and in the resultant contract. Wherever required, the suppliers should obtain the exemption certificate from the purchase organization to avoid payment of such levies and taxes. In case, where the municipality or the other local bodies insist upon such payments (in spite of purchase

organization's exemption certificate), the supplier should make the payment to avoid delay in supplies and forward the receipt of the same to the purchase organization for reimbursement and, also, for further necessary action by the purchase organization.

9.6 Duties/Taxes on Raw Materials

The purchaser is not liable to any claim from the supplier on account of fresh imposition and/or increase (including statutory increase) of excise duty, custom duty, sales tax etc. on raw materials and/or components used directly in the manufacture of the contracted goods taking place during the pendency of the contract, unless such liability is specifically agreed to in terms of the contract.

9.7 Terms of Payment for Imported Goods

Where the terms of delivery is CIP destination/delivery at site/FOR destination, usual payment term is 100% on receipt and acceptance of goods by the consignee and on production of all required documents by the supplier.

Where goods to be supplied also need installation and commissioning by the supplier, the payment terms are generally as under:

For a contract with terms of delivery as CIP destination/Delivery at site/FOR destination - 90% on receipt and acceptance of goods by the consignee at destination and on production of all required documents by the supplier and balance 10% on successful installation and commissioning and acceptance by the consignee subject to submission of 10% PBG as performance security valid for the warranty period.

NB: Generally (specially for goods requiring installation and commissioning at site by the supplier), the desirable terms of delivery are CIF/CIP destination or Delivery at site, so that the supplier remains responsible for safe arrival of the ordered goods at the site. Therefore, unless otherwise decided Ex-works or FOR Dispatching station terms should be avoided.

9.8 Terms of Payment for Imported Goods

9.8.1 Cases where Installation, Erection and Commissioning (if applicable) are not the responsibility of the Supplier - 100 % net CIF/CIP price

is to be paid against invoice, shipping documents, inspection certificate (where applicable), manufacturers' test certificate, etc. after obtaining Bank

Guarantee equivalent to 10% of the total cost of contract.

9.8.2 Cases where Installation, Erection and Commissioning are the responsibility of the Supplier - 90% net CIF/CIP price will be paid against invoice, inspection certificate (where applicable), shipping documents, etc. after obtaining 10% Bank Guarantee of the total cost of contract. Balance 10% payment will be made after successful installation at the consignee's premises and acceptance by the consignee.

9.8.3 Payment of Agency Commission against CIF/CIP Contract - Entire 100% agency commission **will be** paid after satisfactory installation and commissioning of the equipment.

9.9 Advance Payment to Supplier :

9.9.(a) Advance payment to Foreign purchases (Imports) :

As per GFR provisions no advance payment should be made. However in exceptional circumstances it can be considered on the recommendations of 3 faculty members nominated by competent authority, in case there is no other alternative is available except making advance payment.

9.9.(b) Advance payment to Indigenous purchases :

In accordance with GFR, ordinarily, payments for supplies made or services rendered should be released to the supplier only after the supplies have been made or services have been rendered. However, it may become necessary to make advance payments in the following types of cases: -

- (i) Advance payment demanded by firms holding maintenance contracts for servicing of equipment, etc., wherever necessary.
- (ii) Advance payment demanded by firms against fabrication contracts, turn-key contracts etc.

Such advance payments should not exceed the following limits:

- (i) Thirty per cent of the contract value to private firms;
- (ii) Forty per cent of the contract value to a State or Central Government agency or a Public Sector Undertaking;

- (iii) In case of maintenance contract, the amount should not exceed the amount payable for six months under the contract.

In exceptional cases, the Hospital/Centres/Departments may, in consultation with their Financial Adviser, relax the ceilings mentioned above with the approval of the Competent Authority. However, while making any such advance payment, adequate safeguards in the form of bank guarantee etc. should be obtained from the supplier. Further, such advance payments should be *generally* interest bearing, suitable percentages for which are to be decided on case to case basis.

9.10 Documents for Payment

The documents, which are needed from the supplier for release of payment, are to be clearly specified in the contract. The paying authority is also to verify the documents received from the supplier with corresponding stipulations made in the contract before releasing payment. The important documents for imported items which the supplier is to furnish while claiming payment, are:

- a) Original Invoice
- b) Packing List
- c) Certificate of country of origin of the goods to be given by the seller or a recognized Chamber of Commerce or other agency designated by the local Government for this purpose.
- d) Manufacturer's test certificate
- e) Certificate of Insurance
- f) Bill of lading/Airway bill number or any other dispatch document.

While claiming payment, the supplier is also to certify in the bill that the payment being claimed is strictly in terms of the contract and all the obligations on the part of the supplier for claiming this payment has been fulfilled as required under the contract. There should also be a suitable provision for verification of the authenticity of the person signing the invoice etc. for claiming the payment.

9.11 Modes of Payment

9.11.1 Payment to Domestic Suppliers

Payments to domestic suppliers are usually made by cheque/online

payment by RTGS. Such payment can also be made to the supplier's bank, if the bills are endorsed in favour of the bank with a pre-receipt embossed on the bills with the words, "Received payment" and both the endorsement and pre-receipt are authenticated by the supplier. In addition, an irrevocable power of attorney is to be granted by the supplier in favour of the bank. In such of those cases where there has been global tendering, in order to have uniform payment clauses, if domestic suppliers, especially against high value contracts for sophisticated equipment/machinery, desire payment through Letter of Credit, the same, depending on the merits of the case may be agreed to.

9.11.2 Payment to Foreign Suppliers

Payment to foreign suppliers are ordinarily made through Letters of Credit (LC) opened by the State Bank of India or any other scheduled/authorized Bank as decided by the purchasing Centre/Department. While opening the Letters of Credit, the Centre/Department should follow the provision of Uniform Customs and Practices for Documentary Credit (UCPDC). If Letter of Credit is not opened, payment can also be made to the seller through Direct Bank Transfer for which buyer has to ensure that payment is released only after the receipt of prescribed documents.

9.11.3 Payment by Letter of Credit

Two banks are involved for payment to the supplier by Letter of Credit - purchaser's bank and supplier's bank. The purchaser is to forward the request to its bank in the prescribed format as formulated by State Bank of India, along with all relevant details including authenticated copy of the contract. Based on the same, the purchaser's bank opens letter of credit on behalf of the purchaser for transacting payment to the supplier through the supplier's bank. Care should be taken to ensure that the payment terms and the documents to be produced for receiving payments through letter of credit are identical with those shown in the contract. Generally, irrevocable letter of credit is opened so that the supplier is fully assured of its payment on fulfilling its obligations in terms of the contract. In case, the delivery date of the contract is extended to take care of delay in supply, for which supplier is responsible, the tenure of the letter of credit is also to be extended, but the expense incurred for such

extension (of letter of credit) is to be borne by the supplier. **Any payment in Foreign country related to dispatch of consignment or any LC amendment charges etc are borne by the supplier.**

9.11.4 E - Payment

E - Banking and E - Payments are now used by various banks by adopting Electronic Clearing System (ECS) and Electronic Fund Transfer (EFT) procedure. Payments to suppliers may be made through such mechanism where such facilities are available.

9.12 Deduction of Service Tax, etc. at Source from Payments to Suppliers

This will be done as per the existing law in force during the currency of the contract.

9.13 Recovery of Public Money from Supplier's Bill

Sometimes, requests are received from different Centre/ Department for withholding some payment of a supplier out of the payment due to it against a contract. Such requests are to be examined by the concerned Store Department (which has received the request) on the merits of the case for further action. It will however, be the responsibility of the Centre/Department asking for withholding of payment to defend the Institute against any legal procedure arising out of such withholding as also for payment of any interest thereof.

9.14 Refund from Supplier

Sometimes, the suppliers, after claiming and receiving reimbursements for sales tax, excise duty, custom duty etc. from the purchaser, applies to the concerned authorities for refunds, on genuine grounds, of certain portions of such duties and taxes paid by it and receives the allowable refunds. Such refunds contain the purchaser's share also (out of the payments already made by the purchaser to that supplier). The tender enquiry document and the contract are to contain suitable provisions for obtaining such refunds from the supplier.

9.15 Payment against Time Barred Claims

Ordinarily, all claims against Government are time barred after a period of three years calculated from the date when the payment falls due unless the payment claim preferred has been under correspondence. However, limitation is saved if there is an admission of liability to pay, and fresh period of limitation starts from the time such admission is made. The drill to be followed while dealing with time barred claims will be decided by the Hospital/Centre/Department concerned in consultation with the Finance Division. The Finance Division is to ensure that no payment against such time barred claim is made till a decision has been taken in this regard by the competent authority.

CHAPTER - 10

QUALITY CONTROL AND INSPECTION OF ORDERED GOODS

10.1 Introduction

Before accepting the ordered goods, it must be ensured that the goods have been manufactured as per the required specifications and are capable of performing the functions as specified in the contract. The inspection of the items shall be carried out by a duly constituted Inspection Committee comprising of representatives of user departments, senior nursing staff, Residents from Hospital Administration and Store Officials. During inspection, the Committee shall check the supply order copies for specification of the items; compare the same with sample item (if applicable); check the date of manufacturing and expiry and the test certificate where applicable. For items procured by Departments, an Inspection Committee should be constituted for inspection of items.

The required inspections and tests should be carried out by the technically qualified and competent personnel. If the purchasing Department / Centre does not have such qualified personnel, it may engage competent professionals from outside agencies/to be got checked from the Govt. approved Laboratories.

10.2 Stages and Modes of Inspection

The stages and modes of inspection will depend on the nature of the goods, total value of the contract, location of the supplier, location of the user, etc. Usually, following types of inspection are adopted:

- i) **Pre-despatch Inspection:** This type of inspection is conducted during the manufacturing process (which is known as Stage Inspection) and on the finished products before despatch of the goods from supplier's premises, wherever decided by the competent authority.
- ii) **Inspection of goods on receipt at consignee's / user's site:** Such inspection is done on receipt of goods at site before accepting the same as outlined earlier.
- iii) **Inspection after Installation & Commissioning of the**

equipment at site: This method is adopted to check the performance and output of the equipment / machinery after the same is commissioned at site.

10.3 Inspection Procedure

10.3.1 The inspection procedure will be as per the provisions contained in the contract.

10.3.2 In case of pre-dispatch inspection, wherever decided by competent authority after satisfactory inspection and tests, the acceptable goods shall be stamped, labelled, marked or sealed, according to the circumstances in such a way as to make subsequent identification of accepted lots easy for the consignee/user. For goods, not meeting the contract requirements the rejection Inspection Notes shall be issued immediately. A time limit shall be fixed for issue of Inspection documents. Facsimile of the Inspection stamps and their position should be put on the Inspection Notes to help identifying the inspected goods at the consignee's end.

10.3.3 Inspection Document

Inspection Notes in the form prescribed by the Department shall be issued in significance of the acceptance of the goods. Inspection Note should have provision for entering consignee's receipt certificate (confirming receipt of goods) on it. Consignee's receipt certificate portion of the Inspection Notes shall be filled by the consignee after receipt of the goods, verification of quantity and inspection marks on the accepted goods and taking the supplies in its stocks, signifying its (i.e. consignee's) acceptance.

10.5 Outside Testing Laboratories

Sometimes it becomes necessary for the purchase organization to conduct type test, acceptance test or special test at outside laboratories or carrying out of confirmatory tests is considered desirable before accepting the goods. In such cases Centre/Department should draw up a list of approved laboratories for this purpose, to whom the samples drawn from the lots offered by the supplier can be sent for tests. The list should also contain approved laboratories, which can be used as referral/appellate laboratories for retest,

when samples tested at one laboratory are decided to be re-tested. These should be **Govt./Govt approved/NABL accredited labs.**

The Department shall lay down a Liability Statement for cost of samples expended in tests, despatch of samples, transportation costs, test charges etc. in respect of samples tested at outside laboratories as applicable in various situations.

In cases where the samples are to be tested at supplier's cost on account of non-availability of their own testing arrangements, the responsibility of depositing the testing fee, etc. would rest with the supplier.

10.6 Samples

When a contract is concluded on the basis of approved sample the same shall bear seals and signatures of the approving authority(ies) as appropriate. All such approved samples shall be drawn, retained, classified and disposed in accordance with the instructions issued by the Hospital/Centre/Department. A Register of samples shall be maintained. An official shall be made the in-charge of the Sample Room and will be responsible for all activities in the Sample Room.

10.7 Custody of Inspection Notes

For reasons of security and to avoid irregular or incorrect issue, the Inspection Notes should be serially numbered and marked for each user. An account of the Inspection Notes issued with serial number wise details shall be maintained in an appropriate register. Each Hospital/Centre/Department should also develop a foolproof system to avoid any fraudulent and unauthorized use of the inspection notes.

10.8 Inspection of goods tendered at the Fag End or on the Last Date of the Contract Delivery period

As far as possible, the inspection should be commenced and finished and Inspection Notes issued during the validity period of the contract so that the contract is not kept alive after expiry of delivery period.

In cases where the supplier offers stores for inspection during the last few days of the contract delivery period or even on the last day of the contract delivery period, efforts should be made by the Inspecting Officer to commence the inspection before the expiry of the delivery period.

The Inspecting Officer should invariably issue such notice to avoid the contract being kept alive after the expiry of the delivery period. In a case, where the inspection is commenced before the expiry of the delivery period and the Inspection Note is issued after the expiry of the delivery period, the Inspection Note, whether accepting or rejecting the goods, shall be duly franked as per the standard franking clause as given below as an abundant precaution against keeping the contract alive: -

a) Franking Clause to be adopted in the case of Acceptance of Goods

“The fact that the goods have been inspected after the delivery period and passed by the Inspecting Officer will not have the effect of keeping the contract alive. The goods are being passed without prejudice to the rights of the purchaser under the terms and conditions of the contract”.

b) Franking Clause in the case of Rejection of Goods

“The fact that the goods have been inspected after the delivery period and rejected by the Inspecting Officer will not bind the purchase in any manner. The goods are being rejected without prejudice to the rights of the purchaser under the terms and conditions of the contract.”

10.10 Acceptance of Goods against Supplier’s In-house Inspection Report and Warranty

In case of goods to be imported from abroad, pre-despatch inspection of goods at supplier’s premises involves considerable expenditure to the purchaser. In such a situation, the purchaser may substitute pre-despatch inspection by its own inspector with manufacturer’s in-house inspection report and warranty. However, before adopting this procedure, the nature and cost of the goods ordered, the reputation of the supplier, etc. should also be kept in view and appropriate decision taken.

Further, trustworthy publications like ‘Thomas Register’, ‘Dun and Brad Street Register’, etc. are also available in USA and Europe which provide authentic technical & financial data and details of the manufacturing companies located in those countries. Such publications may also be relied upon for this purpose.

10.11 Purchaser's Right of Rejection

Purchaser has the right to reject the goods on receipt at site during final inspection though the goods have already been inspected and cleared at pre-despatch stage by the purchaser's inspector. However, such rejection should be strictly within the contractual terms & conditions and no new condition should be adopted while rejecting the goods during final inspection.

10.12 Acceptance of Goods vis-à-vis Warranty Provisions

Goods accepted by the purchaser in final inspection in terms of the contract shall in no way dilute purchaser's right to reject same later, if found deficient in terms of warranty clause of contract /quality parameters.

10.13 Joint Investigation against Complaints relating to Quality of Goods

In case a written complaint is received from the supplier disputing rejection of goods by the purchaser's Inspection Committee, the same should be jointly investigated by a team consisting of an authorized representative of the purchase organization usually a faculty member from user department; Faculty from Hospital Administration looking after concerned store and an authorized representative of the supplier. Detailed procedure to be followed in this regard and the format of the joint inspection report (to be signed by all the team members) are to be prescribed by the purchasing Department / Centre and the matter processed accordingly for further necessary action.

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CHAPTER - 11

EVALUATION OF TENDERS, FORMULATION OF PURCHASE PROPOSAL AND PLACEMENT OF CONTRACT

11.1.0 Introduction

- 11.1.1 Evaluation of tenders is one of the most serious exercises in the process of procurement. Therefore, it requires due diligence, utmost care and proper application of mind.
- 11.1.2 Evaluation of tenders must be done in a scientific and logical manner. It is not always necessary that the lowest quoted price shall finally emerge as the lowest evaluated price. It may be that the lowest bidder has not quoted according to the specifications and has left out certain items asked for. His bid eventually may not even be responsive.
- 11.1.3 All the bids are to be evaluated strictly on the basis of the terms & conditions incorporated in the tender document (based on which offers have been received). No new condition should be brought in while evaluating the tenders. Similarly, no condition of the tender document shall be overlooked while evaluating the tender. The idea is to ensure that no tenders should get undue advantage at the cost of other tenderers and/or at the cost of the Purchaser.

11.2.0 Preliminary Examination

- 11.2.1 All the tenders received from the Tender Opening Committee (TOC) will first be scrutinized in the respective Store Section to see whether the tenders meet, the basic requirements as incorporated in the tender enquiry document. The tenders, who do not meet the basic requirements, are to be treated as unresponsive and ignored. The following are some of the important points, for which a tender may be declared as unresponsive and to be ignored, during the initial scrutiny:
- (i) The Bid is unsigned.
 - (ii) The Bidder is not eligible.
 - (iii) The required EMD/ BS has not been provided.
 - (iv) The bidder has quoted for goods manufactured by a firm without the required authority letter from the manufacturer.
 - (v) Bidder has not agreed to give the required performance security.
 - (vi) The goods quoted are sub-standard, not meeting the required specification etc.
 - (vii) The tenderer has not agreed to some essential conditions(s) incorporated in the tender enquiry.
- 11.2.2 During the above preliminary administrative examination, the Purchaser may also find some minor informality and/or irregularity and /or non-conformity in some tenders. The Purchaser may waive the same provided the same does not constitute any material deviation and financial impact and, also, does not prejudice or affect the ranking order of the tenderers. Wherever necessary, the Purchaser is to convey his observation on such minor issues (as mentioned above) to the

tenderer by registered letter/speed post etc. asking the tenderer to respond by a specified date also mentioning therein that, if the tenderer does not confirm the Purchaser's view or does not respond at all by that specified date, its tender will be liable to be ignored. Depending on the outcome, such tenders are to be ignored or considered further. In situations of this kind, opportunity should be extended to all the responding firms.

11.3.0 **Non-Conformities between the figures and words of the quoted price**

11.3.1. Any discrepancy between quoted prices in figures and that in words, if noted, will be sorted out in the following manner:

- (a) If there is a discrepancy between the unit price and the total price (which is obtained by multiplying the unit price by the quantity), the unit price shall prevail and the total price corrected accordingly, unless in the opinion of the Purchase Committee/Technical & Purchase Committee there is an obvious misplacement of the decimal point in the unit price, in which case the total price as quoted shall govern and the unit price corrected accordingly.
- (b) If there is an error in a total corresponding to the addition or subtraction of subtotals, the subtotals shall prevail and the total shall be corrected.
- (c) If there is a discrepancy between words and figures, the amount in words shall prevail, unless the amount expressed in words is related to an arithmetic error, in which case the amount in figures shall prevail subject to above.

If there is such discrepancy in a bid, the same is to be conveyed to the bidder with target date on the above lines and if the bidder does not agree to the observation of the Purchaser, the tender is liable to be ignored.

11.5.0 **Qualification Criteria**

11.5.1 After completing above stage, it is to be examined whether the remaining tenderers (i.e. other than the unresponsive tenderers) meet the required qualification criteria incorporated in the tender enquiry document. The tenderers, which do not meet the required qualification criteria, are to be declared unresponsive and not to be considered further. Details of such tenderers, which do not meet the required qualification criteria are also to be recorded in the Purchase file along with the grounds for their becoming unresponsive.

11.6.0 **Scrutiny of Responsive Bids.**

11.6.1 **Single envelop Bid/Tender:** In case of seeking bids in single envelop with(Technical & financial details together), the responsive tenders (i.e. after ignoring all the unresponsive tenderers as above) are to be evaluated and ranked as per the procedure indicated in subsequent paragraphs. However, when the required goods are simple in nature and have standard specifications, initial scrutiny as well as scrutiny for qualification criteria may be done simultaneously in one go. In case the required goods are of sophisticated nature and comparatively of higher value, then in the first stage

the initial scrutiny will be done to segregate the unresponsive tenders. Thereafter, all the remaining tenders are to be evaluated and ranked. The next step will be to check fulfillment of required qualification criteria, that tender is to (L1). If L1 meets the required qualification criteria, that tender is to be selected for placement of contract. But if it does not meet the required criteria then similar determination is to be done for the next lowest evaluated tender (L2) and so on till reaching the tender who meets the required qualification criteria. By adopting the procedure, the purchase organization will save time by not checking the qualification aspects of all the responsive offers, simultaneously in one go.

11.6.2 **Two-bid system:** Under 2-bid system, the techno-commercial un-priced bid (i.e. technical bid) will be opened first and will be evaluated by the Technical Sub-committee(TSC) of the Technical & Purchase Committee (T&PC) with respect to the qualification criteria and the technical specifications as spelt out in the tender. The committee doing the evaluation will also draw a Technical comparative chart. The tenders meeting the qualification criteria and technical specifications will be short listed for financial evaluation for lowest responsive offer.

11.6.3 In case the technical bid of a firm has been declared unresponsive in the technical evaluation, the unopened financial bid shall be preserved in the concerned section under safe custody for a week time. The purpose of giving proposed time period of one week is that the parties rejected may at times contest reasons of rejection and if at all Institute is convinced with their view point/ reasons, the AIIMS may consider the offer for further evaluation after approval of the competent authority. This can be done during opening of financial bids of other shortlisted firm or subsequently, where other bidder should also be present.

11.6.4 All the bids received against the open tenders will be evaluated by the same TSEC which had finalized its specifications. The committee will evaluate the technical bids first for ascertaining responsiveness and conformity to the specifications and other terms & conditions if approved which has been decided after the Pre-bid Conference/ Meeting with the parties if applicable. The financial bids of only those parties will be opened for further evaluation, whose responsiveness is confirmed by the Technical & Purchase Committee (TSEC). After opening of the financial bids, L1 will be decided and recommendations will be obtained from the indenter for placing order.

11.7.0 **Conversion of Currencies**

11.7.1 When bids are received in different currencies, the comparative statement shall clearly give the exchange rate as notified **SBI BC selling rate** on the date of opening of the **price bid**. However, when two bid system is adopted, then the exchange rate as notified SBI BC selling rate on the date of opening the financial bid should be the basis for preparing the comparative statement.

11.8.0 **Evaluation and Ranking**

11.8.1 Depending on the terms of delivery and the projected requirement, all the applicable components of the costs, as quoted in the responsive tenders, are to be added to work out the ultimate evaluated costs of the tenders. The evaluation is also to include applicable taxes, duties etc. in the bid prices.

- 11.8.2 The comparison between the indigenous and the foreign offers shall be made on CIF/CIP basis. However, the CIF/CIP prices quoted by any foreign bidder shall be loaded further as under:-
- a) CIP price converted in Indian currency.
 - b) Custom duty @ 11.64%.
 - c) In land transportation/clearance charges @ 2%.

Towards customs duty and other statutory levies- as per applicable rates.

Accordingly, while soliciting bids, it should be clearly stipulated in the tender document that the bidder should give a clear cut break up of ex-works, FOB/FCA, CIF/CIP price to facilitate the proper comparison. The evaluation criteria should be clearly brought out in the bidding documents.

11.8.3 In the case of purchase of many items against one tender, which are not inter-dependent or, where compatibility is not a problem, normally the comparison may be made on **FOR AIIMS**, (in case of indigenous items) and on **CIP** (in the case of imports) prices quoted by the firms for identifying the lowest quoting firm for each item. **However, the comparison shall be made as per Para 11.8.2 above.**

11.8.4 Where there is no mention of packing, forwarding, freight, transportation, insurance charges, such offers shall be considered **on FOR AIIMS for indigenous items and CIP for imported items** rejected as incomplete. This condition must be indicated in bold letters in the tender document/enquiry itself.

11.8.5 If the bidder has quoted certain optional items, **as per requirement of the department or the rates of consumable items these items should not be** taken into consideration for the evaluation of the bid unless the specifications of the optional item quoted by the vendor are a part of original indented specification.

11.8.6 Conditional tenders shall not be accepted.

11.8.7 No tender shall be technically rejected on flimsy grounds or such vague grounds as unsatisfactory service during earlier Purchases without providing any documentary proof.

11.8.8 **Situations may arise when sufficient response has not been received or after bid evaluation there is only one responsive bidder. In such cases retender may be floated with revised specifications not specific to any firm or any brand. In case after retendering with revised specifications again single tender is received or single offer is technically shortlisted, such offers are to be considered by Store Purchase Committee for further processing. In such situations, the Store Purchase Committee is required to check whether, while floating/issuing the tender enquiry, all necessary requirements like standard tender enquiry conditions, industry friendly specification, wide publicity, sufficient time for formulation of tenders, etc. were fulfilled. After recommendation of Store Purchase Committee to consider the single tender even after retendering, the concurrence of finance and approval of competent authority will be required before opening price bid of single tender received after retendering.**

However, if after scrutiny it is found that all such aspects were fully taken care of and in spite of that the Institute ends up with one responsive bid only, then contract/Purchase Order may be placed on that bidder. However, it has

to be ensured that the prices quoted are reasonable as per reasonability of price submitted by the department and accepted by SPC.

11.9.0 Reasonableness of Prices(ROP)

11.9.1 While existing procurement process ought to ensure reasonability of Prices, the same should be verified before placing the contract/Purchase Order on the lowest evaluated responsive tender (L1). The User /HOD must also ensure that the price to be paid is reasonable.

11.9.2 The broad guidelines for judging the reasonableness of price are as under:

- (1) Last Purchase price of same (or, in its absence, similar) goods
- (2) Current market price of same (or, in its absence, similar) goods
- (3) Receipt of competitive offers from different sources
- (4) Quantity involved
- (5) Terms of delivery
- (6) Period of delivery
- (7) Economic indices of raw material/labour, wherever applicable
- (8) Other input cost and intrinsic value

11.9.3 If L1's price is not reasonable, then, in the first place, the Store Purchase Committee has to review its own data & details to recheck whether the reasonable price so arrived is correct or not. If it is correct, the Institute may, strictly as an exception, negotiate the price only with the lowest evaluated responsive tender(L1) in an attempt to bring down the same. If L1 reduces the price to the desired level, contract may be placed on it but it does not agree, then further action like re-tendering etc. may be decided by the TSEC/TACC depending on the merits of the case.

11.10.0 Negotiations

11.10.1 There should not be any negotiations. Negotiations if at all shall be an exception and only in the case of proprietary items or in the case of items with single source of supply and items where there is suspicion of a cartel formation. Negotiations if at all required shall be held with the lowest (L-1) evaluated responsive bidder with the cogent reasons to be recorded.

11.10.2 Counter offers tantamount to negotiations and should therefore be avoided.

11.10.3 Negotiations can be recommended in exceptional circumstances only after due application of mind and recording valid, logical reasons justifying negotiations. In case L-1 backs out then, the action will be taken against the default supplier for breach of contract and retender will be initiated to conclude the fresh contract. However, in certain cases, the uninterrupted supply of certain essential items in the Hospital may have to be ensured in case the approved supplier backs out after performing the contract for certain period. In order to tide over such situations, and cover the interim window period requirement, until the fresh regular contract is concluded, the supply of such essential items may be obtained by inviting the rates from the remaining responsive bidders and the new L-1 is selected for maintaining the supply during the window period and it should be clearly defined in the tender document. Simultaneously, the fresh tendering process will also be initiated and all efforts will be taken to conclude the new contract at the earliest.

11.10.4 The evaluation report shall clearly bring out

1. The technical acceptability of the offer
2. the reasonability of the price quoted
3. the reasonability of the delivery period offered

11.11.0 Comparative Statement

11.11.1 The Comparative Statement of administrative documents will be prepared by the concerned Store Section.

This should be forwarded along with the Technical Bids to the TSC/Sub Committee/ concerned Department for Technical Evaluation.

The Technical Bid comparative statement shall be prepared by the concerned department/Sub Committee/Committee on the basis of documents submitted by the firm and demonstration if required.

After discussing the same in TSC, in case of more than 3 or more technically shortlisted firms; The Financial Bid can be opened ; In case of less than 3 firms being technically shortlisted/participated in the tender, the file should be put up to SPC for discussion regarding opening of Financial Bid. After approval of SPC, the Financial Bid shall be opened, and the Store Section in consultation with user department shall prepare the Financial Bid comparative statement.

In case of single firm participating in the tender (recalled for second time) or single technically shortlisted firm such cases should be put up before SPC and after considering the case by SPC the recommendations of SPC shall be sent for Financial concurrence and approval of Competent Authority before placing the orders.

The comparative statement of price bids should be signed by the user faculty and HOD (in case of Departmental purchases); and ASO/SO of the concerned store to confirm correctness. In the Hospital/Centers this comparative statement is prepared by stores officials (in consultation with users) and checked by ASO/SO.

11.11.2 In case of two-bid system, the Chairman TSEC shall have a technical comparative statement of specifications prepared with the help of TSC strictly as per indented basket of items. Based on the recommendations of Purchase Committee or TSEC concerned on the technical evaluation, the financial bids shall be opened by purchase section and Comparative Statement of prices (CS) would then be prepared by user department/section taking the assistance of the concerned department, if required. Thereafter, recommendations of the concerned department and approval of Technical & Stores Purchase Committee (SPC) concerned should be obtained.

11.11.3 A certificate to the effect that the details of all quotations opened by the tender opening committee have been included in the CS of prices should be incorporated by the ASO and countersigned by SO in the CS. The CS of prices quoted must be signed by the ASO & SO in all cases and also by the indenter (in case of equipment only) to confirm correctness. The Comparative statement shall be without any overwriting or deletions and shall neatly give the quoted price both in figures and in words.

11.11.4 When bids are received in different currencies, the comparative statement shall clearly **indicate** the exchange rate as notified by the **RBI** selling rates on

the date of opening of the price bid and the quoted price in rupees in the case of single bid system. However, when two-bid system is adopted, then the exchange rate as notified by RBI selling rate on the date of opening the financial bid should be basis for preparing the comparative statement.

- 11.11.5 The comparative statement must include all the details as indicated above for bids received from within India and from abroad including the loading for comparison only along with details of specifications of the material offered by the tenderer, rates quoted (including taxes or otherwise), discount, if any, all other applicable components of cost, delivery schedule, earnest money deposit, validity of the offer, payment schedule etc.
- 11.11.6 The recommendations of the Indenting Officer(IO) must be obtained prior to referring the matter to Purchase Committee as the case may be and the offer selected along with details of the items should be encircled by the indenting officer/user HOD on the Comparative Statement(CS) duly signed.**
- 11.11.7 Placement of order/Conclusion of Contract**
- 11.11.8 Contract should be awarded to the lowest evaluated bidder whose bid has been found to be responsive and who is eligible and qualified to perform the contract satisfactorily as per the terms and conditions incorporated in the corresponding bidding document.
- 11.11.9 The entire process of scrutiny & evaluation of tenders, preparation of ranking statement and notification of award must be done within the original tender validity period. The validity period should not be unreasonably long as keeping the tender unconditionally valid for acceptance for longer period entails the risk of getting higher prices from the bidders. Generally, the validity period should not more than one year from the date of tender opening. **InLand L/C provision may be kept in the L/C**
- 11.11.10 If due to some exceptional and unforeseen reasons, the Instt. is unable to decide placement of the order within the original validity period, it should request, before expiry of the original validity period, all the eligible bidders to extend their tenders up to a specified period. While asking for such extension, the bidder are also to be asked to extend their offers as it is, without any changes therein.
- 11.11.11 The bidder may also be requested to extend the validity of the BS/EMD for the corresponding additional period(which is to be specified in the request). A bidder may not agree to such a request and this will not tantamount to forfeiture of its BS. But the bidders, who agree to extend the validity, are to do so without changing any terms, conditions etc. of their original bid.
- 11.11.12 Once the proposal is recommended by the Stores Purchase Committee and the concerned sanctioning authority accords the expenditure sanction, official concerned in Stores & Purchase shall prepare the Purchase order and arrange to send it to the vendor. However, the specifications embodied in the Purchase Orders should be vetted by the indenter before the Purchase order is issued especially in high value purchase and purchase involving technicalities.

Note:- In all cases (RE/ATE) where there is adequate competition (3 or more) among bidders; whose Financial bids have been opened, such cases should not ordinarily be taken up to SPC for recommendation. These cases can be decided at the level of Technical Specification

Committee itself for orders placed after approved by Competent Authority.

- 11.11.13 The Purchase order shall contain the make and model of the items with description, rates, quantity ordered, amount and terms & conditions like /Delivery schedule, place of Delivery, Payment terms, taxes & duties, any other charges like packing, forwarding, transportation, insurance etc., discount offered by the firm, installation & commissioning if required, warranty period, training if any extra.
- 11.11.14 In case of imported equipment/items all standard conditions should be incorporated in the LC terms and conditions.
- 11.11.15 Order for equipments shall be dispatched to the vendor in two copies one for local agent and another for original equipment manufacturer (OEM) with an instruction that the vendor has to return one copy duly signed as a token of acceptance of the order.
- 11.11.16 The copies of orders shall be sent to Stores, Indenting faculty/ Department/Officer-in charge Stores/Inspection committee and Finance as soon as the orders are placed.
- 11.12.12 For Purchases valuing up to Rs.5.00 lakhs**, a Purchase order containing basic terms & conditions would suffice.
- 11.12.13 For Purchases valuing between Rs.5.00 lakhs & Rs.25.00 lakhs, where limited tender enquiry is required to be floated, it is suggested that the Deptt./Institute may follow a standardized General Conditions of Contract(GCC) as per **tender document**.
- 11.12.14 For Purchases valuing more than Rs.25.00 lakhs, a formal contract should be executed, with all necessary clauses as per model format given the manual which can be altered suitably wherever felt necessary by the Institute to make it a self contained contract. If however, these are preceded by Invitation of Bid, General conditions of contract (GCC) & Special Conditions of Contract (SCC) with full details of scope & specifications, a simple one page contract can also be entered into by attaching copies of the GCC & SCC and details of scope and specifications, offer of the tenderer and letter of acceptance.
- 11.12.15 While entering into contracts, it should be ensured that;
- (a) The terms of contract are precise, definite and without any ambiguities and should not include an uncertain or indefinite liability.
 - (b) No work of any kind is commenced without proper execution of a contract as given above.
 - (c) Contract should include provision for payment of all applicable taxes by the contractor or supplier.
 - (d) The terms of a contract, including the scope & specifications once entered into, should not be materially varied. Whenever material deviations becomes unavoidable, the financial & other effects should be examined and recorded and specific approval of the Purchases Committee concerned & other commitments must be obtained before varying the conditions.
 - (e) Normally no extension of schedule delivery or completion dates should be granted except where events constituting force majeure, as provided in the contract, or any other convincing valid reasons. Extensions with or without penalty may be allowed through formal amendments to the contract only on the recommendation of the user HOD/Sanctioning authority. Prior to invoking

Penalty clause, due notice should be given to the supplier to execute the order/contract failing which penalty shall be imposed.

- (f) A warranty clause should be incorporated in every contract and all contracts for supply of goods should reserve the right to reject goods which do not conform to the specifications.
- (g) The contract effective date is invariably indicated as per the agreed terms and conditions.
- (h) In all case where a contract is to be signed on a stamp paper, a letter of intent(LOI) may be issued to the firm in advance of the contract. The LOI should specifically mention, interalia, the deadline for signing of the contract which should not normally be more than two weeks from the date of issuance of LOI.

11.12 **Integrity pact:**

In accordance with the CVC guidelines, vide their Order No.41/12/07, dated 4/12/2007 and their subsequent communications, in regard to Integrity Pacts, shall invariably be followed in all one-time major purchases exceeding Rs.5.0(Five) crores.

CHAPTER - 12

CONTRACT MANAGEMENT

12.1 Introduction

Contract Management involves monitoring the implementation of a contract/order after it is placed to ensure timely completion of all the supplies and related services shown in the contract as per terms & conditions incorporated therein.

12.2 Text of Contract

The very first requirement for ensuring a trouble free contract management is placement of contract with unambiguous and transparent terms & conditions, which have already been agreed to by both the purchaser and the supplier in black & white.

12.3 Performance Security

The purchaser is to ensure that the supplier receiving the contract furnish the required Performance Security in the prescribed form by the specified date, failing which necessary action including forfeiture of the Earnest Money Deposit is to be taken against the supplier.

12.4 Acknowledgement of Contract/Order :

The supplier should acknowledge and unconditionally accept the contract within the specified days from the date of issue of contract. While acknowledging the contract, the supplier may raise some issues and/or ask for some modifications against some entries in the contract; such aspects shall be immediately looked into for necessary action and, thereafter, supplier's unconditional acceptance of the contract obtained.

If both the parties (viz. the purchaser and the supplier) simultaneously sign the contract across the table, further acknowledgement from the supplier is not required.

12.5 Coordination

All the authorities, who are entrusted with some responsibilities and also to perform some duties in terms of the contract are to work in unison in a coordinated manner to ensure completion of the contract without any time overrun, cost overrun and related legal complication. It is, therefore, necessary for the purchase organization to keep a proper watch and coordinate all such activities to avoid any bottleneck or problem in the passage of the contract.

12.6 Amendment to Contract/Order :

Many a times, due to various reasons, changes and modifications are needed even in a duly concluded contract. Requests for such changes and modifications mostly emanate from the supplier. Immediately on receiving such a request, the purchase organization shall examine the same and take action as necessary with the approval of the competent authority.

Any amendment to contract terms requested by the supplier may have, *inter alia*, financial impact and/or technical impact and/or legal impact. Therefore, before agreeing to the request of the supplier, the purchase organization should scrutinize the issue on its merits to ensure that the requested amendment will not have any adverse effect on the purchase organization.

Financial concurrence should be obtained before issuing any amendment having financial implications/repercussions. The Centres/Departments should process such issues, as deemed fit, depending on the merit of the case. In specific cases, if situation warrants, legal advice will be sought.

12.7 Payment to the Supplier

Finance Division shall ensure that all the payments due to the firm including release of performance security are made on priority basis without avoidable delay. An appropriate time schedule may be prescribed by the Departments / Centres for this purpose to be acted upon by the concerned officials.

12.8 Receipt of material:

The receipt of all ordered material has to be made in the stores section and a report of such receipts must be sent to the Purchase, Indenter next day. Similarly, information like transit of material, clearance from Air/Sea Port/transporter/vendors go-down, etc. has to be intimated to the user Depts. Heavy and large items can be got unloaded by the stores at the place of its final installation.

Stores should maintain a Daily Receipt Register (DRR) which should include all relevant information about the receipt of materials in a computer. A print out can be sent to the User Group and the Purchase immediately and a copy of the same can be retained as DRR.

12.9 Monitoring of Securities and other Instruments

Proper procedure for safe custody and monitoring of bank guarantees and other instruments should be laid down by the Centres/Departments and followed accordingly. Para 7.8 of Chapter 7 also refers in this connection.

12.10 Closure of Purchase File

On completion of all activities against a contract, the purchase file should be preserved in the record room and destroyed after expiry of the applicable mandatory retention period with the approval of the competent authority.

For the above purpose, all records relating to Purchases made out of both revenue as well as capital grant should be retained for a period of 03 years from the completion of **warranty and further entire CAMC period in case of M&E items**. Cases which have some vigilance/audit objections / court case should not be disposed off till the requirement of these records. The old records should be weeded out from time to time as it occupies valuable space. The records should be weeded out at regular intervals at the end of each financial year after its retention period provided there is no vigilance or audit objections, in which case these should be preserved till such time the vigilance or audit objections are dropped.

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CHAPTER - 13

SETTLEMENT OF DISPUTES

13.1 General

Normally, there should not be any scope of dispute between the purchaser and the supplier after entering into a mutually agreed valid contract. However, due to various unforeseen reasons, problems may arise during the progress of the contract leading to disagreement between the purchaser and the supplier. Therefore, the conditions governing the contract shall contain suitable provision for settlement of such disputes / differences binding on both the parties.

13.2 Mode of Settlement

Mode of settlement of such disputes/differences shall be through Arbitration. However, when a dispute/difference arises, both the purchaser and the supplier shall first try to resolve the same amicably by mutual consultation. If the parties fail to resolve the dispute by such mutual consultation within twenty-one days, then, depending on the position of the case, either the purchaser or the supplier shall give notice to the other party of its intention to commence arbitration as hereinafter provided:

When the contract is either with the domestic supplier or with the foreign supplier, the applicable arbitration procedure will be as per Indian Arbitration and Conciliation Act, 1996.

13.3 Venue of Arbitration

The venue of arbitration shall generally be the place from where the contract has been issued.

13.4 Applicable Law

The contracts shall be interpreted in accordance with the laws of the Union of India.

13.5 Legal Advice

While processing a case for arbitration, AIIMS may take legal advice, at appropriate stages from competent authorities like the Standing Legal Counsel (SLC).

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CHAPTER - 14

RATE CONTRACT

14.1 Definition

A Rate Contract (commonly known as RC) is an agreement between the purchaser and the supplier for supply of specified goods (and allied services if any) at specified price and terms & conditions (as incorporated in the agreement) during the period covered by the Rate Contract. No quantity is mentioned nor any minimum drawal is guaranteed in the Rate Contract. The Rate Contract is in the nature of a standing offer from the supplier firm. The firm and/or the purchaser is entitled to withdraw/cancel the Rate Contract by serving an appropriate notice on each other as stipulated in the contract. However, once a supply order is placed on the supplier for supply of a definite quantity in terms of the rate contract during the validity period of the rate contract, that supply order becomes a valid and binding contract.

14.2 Merits of Rate Contract

The Rate Contract system provides various benefits to both the Purchaser (i.e. user) and the Supplier and the same are indicated below:

14.2.1 Benefit to Users

- a) Competitive and economical price due to aggregation of demands.
- b) Saves time, efforts, man-hours and related costs involved in time consuming as well as repetitive tendering process. It, thus reduces lead time for procurement.
- c) Availability of quality goods with full quality assurance back-up.
- d) Enables procurement as and when required and thus reduces inventory carrying cost.
- e) Advantageous even to small users and those located in remote areas.
- f) Provides one single point of contact to procure such items.

14.2.2 Benefit to Suppliers

- a) Reduces marketing cost and efforts.
- b) Eliminates repetitive tendering and follow-up actions with multiple authorities.
- c) Provides single point contact for Govt. supplies.
- d) Aggregation of Govt. demand leads to economic production.
- e) Leads to most competitive prices being offered.
- f) Lends credibility.
- g) Promotes quality discipline.

14.3 Rate Contracts concluded by Central Stores Department

The Central Stores Department (DO) shall conclude rate contracts with the prospective suppliers, for goods of standard types, which are identified as common use items and are needed on recurring basis by various Centres/Departments. The Central Stores Department will furnish and update all the relevant details of the rate contracts in the Institute website. The Hospital /Centres / Departments should operate those rate contracts to the maximum extent possible. The Hospital / Centres /Departments should directly procure the rate contracted goods from the suppliers at the approved prices. The Hospital/Departments /Centers may make its own arrangement for inspection and testing of such goods, wherever required. The Central Stores Department should post the descriptions, specifications, prices, samples if required and other salient details of all the rate contracted goods, appropriately updated to Hospital/ Centres/Department for use by the procuring Centres/Departments.

14.4 Goods for which Rate Contracts are to be concluded by Central Stores Department

- a) Commonly used goods needed on recurring basis by various Centres / Departments.
- b) Goods for which prices are likely to be stable or where Rate Contracts could be finalized.
- c) Goods for which Rate Contract is convenient to operate and annual drawals are economical, say above Rs 25 lakhs.

NB: i) In case of goods of low value and which are required by the users in very small quantities, rate contracts may not be concluded.

ii) Rate Contract may not be concluded for the scarce / critical/ perpetually short supply goods.

14.5 Bringing more and more common use items on the Rate Contract

It is enjoined upon the Central Stores Department (DO) to bring more and more common use items on rate contracts. For this purpose, regular interactions should be held by the CSD with the various user departments across the Institute. There shall be a duly constituted Committee, coordinated by Central Stores Department (DO), consisting of representatives of major indenting departments to consider bringing new items on rate contracts.

14.6 Conclusion of Rate Contracts for Chemicals/ Reagents/Glassware/plastic ware etc. on the basis of discounts on Net Dealer Price:

The Central Stores Department (DO) will conclude rate contracts for Chemicals, reagents, Glassware, Plastic ware etc and similar products after floating open tenders. Such Rate Contracts are to be concluded on discount on Net Dealer Price (NDP) basis.

14.7 Period of Rate Contract

The period of a Rate Contract should normally be two years for stable technology products. However, in special cases, shorter or longer period may be considered. As far as possible, termination period of rate contracts should be fixed in such a way as to ensure that budgetary levies would not affect the price and thereby frustrate the contracts. Attempts should also be made to suitably stagger the period of rate contracts through out the year.

14.8 Criteria for award of Rate Contract

(a) Rate Contracts shall be awarded to the firms who fulfill the laid down eligibility and qualification criteria including availability of quality standards. Suitable stipulations should be incorporated in the tender enquiry documents to this effect. The award of such rate contracts will, however, be subject to the suppliers' satisfactory technical and financial capability.

b) Some of the tenderers may also be holding current rate contracts and/or held past rate contracts for the required goods. Their performance against such earlier/current rate contracts shall be critically reviewed before they are considered for award of new rate contracts. Specific performance and achievement criteria as on a selected cut-off date is to be evolved for this purpose and incorporated in the tender enquiry document. The tenderers will be asked to furnish the relevant details (along with their tenders) to enable the purchaser to judge their performance and achievement against the past/current rate contracts. These criteria are to be evolved and decided by the TSEC during procurement planning stage for incorporation in the corresponding tender enquiry documents.

14.9 Special Conditions applicable for Rate Contract

Some conditions of rate contract differ from the usual conditions applicable for ad hoc contracts. Some such important special conditions of rate contract are given below:

- i) **Estimated Earnest Money Deposit (EMD) is applicable on the basis of approximate requirement of the items which cannot be forecasted before floating tender.**
- ii) In the Schedule of Requirement, no quantity is mentioned; only the anticipated drawal may be mentioned without any commitment.
- iii) The purchaser as well as the supplier may withdraw the rate contract by serving suitable notice to each other. The prescribed notice period is generally thirty days in case of purchaser and 90 days in case of seller.
- (iv) **The purchaser has the option to renegotiate the price with the rate contract holders.**
- (v) In case of emergency, the purchaser may purchase the same item through adhoc contract with a new supplier.
- (vi) Usually, the terms of delivery in rate contracts are FOR **AIIMS**.
- (vii) Supply orders, incorporating definite quantity of goods to be supplied

along with all other required conditions following the rate contract terms, are to be issued for obtaining supplies through the rate contract.

- (viii) The purchaser and the authorized users of the rate contract are entitled to place supply orders upto the last day of the validity of the rate contract and, though supplies against such supply orders will be effected beyond the validity period of the rate contract, all such supplies will be guided by the terms & conditions of the rate contract.
- (ix) The rate contract will be guided by “Fall Clause” (as described later in this chapter).

14.10 Parallel Rate Contracts

In case it is observed that a single supplier does not have enough capacity to cater to the entire demand of an item, the rate contract issuing authority may enter into more than one rate contract with different suppliers for the same item. Such rate contracts are known as Parallel Rate Contracts.

14.11 Conclusion of Rate Contracts including Parallel Rate Contracts

Techniques for conclusion of rate contract are basically identical to that of ad hoc contract (as discussed in **Chapter 11** of the Manual). Identical tender documents may be utilized for conclusion of rate contracts subject to inclusion therein the special terms & conditions as applicable for rate contracts.

In the normal course, the rate contract is to be awarded to the lowest responsive tenderer (L1). However, depending on the anticipated demand of the item, capacity of the responsive bidders, reasonableness of the prices quoted by the responsive bidders, etc. it may become necessary to award parallel rate contracts also. For this purpose, a reasonable price band above the L1’s price is to be decided and parallel rate contracts awarded to the responsive tenderers falling within that price band. For the sake of transparency and to avoid any criticism, all such rate contracts are to be issued simultaneously **and there should be a provision of this clause in the concerned tender document.**

14.12 Price Negotiation

Price Negotiation with the tenderers should be severely discouraged. However, in case the price quoted by the lowest responsive tenderer (L1) is not reasonable and acceptable, the price may be negotiated with L1 only and, if it

reduces the price to the desired level, rate contract may be concluded with L1.

However, in case of single tender /proprietary item where there is no comparison of prices, negotiation should be carried out. This should aim at getting a reasonable price based on estimated cost of the item, comparison with earlier orders for same item from AIIMS / other government / reputed pvt. Institutes.

14.13 Cartel Formation / Pool Rates

Sometimes a group of tenderers quote identical rates against a rate contract tender. Such Pool/Cartel formation is against the basic principle of competitive bidding and defeats the very purpose of open and competitive tendering system. Such practices should be severely discouraged with strong measures. Suitable administrative actions like rejecting the offers, reporting the matter to Registrar of Companies, MRTP Commission/competition commission of India/ National Small Industries Corporation etc. should be initiated against such firms, on case to case basis, as decided by the competent authority. Hospital/Centres/Departments may also bring such unhealthy practice to the notice of the concerned trade associations like FICCI, ASSOCHAM, etc. requesting them, inter alia, to take suitable strong actions against such firms. The Hospital/Centres/Departments may also encourage new firms to participate in the tender for the subject goods to break the monopolistic attitude of the firms forming cartel.

14.14 Fall Clause

Fall clause is a price safety mechanism in rate contracts. The fall clause provides that if the rate contract holder reduces its price or sells or even offers to sell the rate contracted goods following conditions of sale of items with identical specification and terms & conditions to that of the rate contract, at a price lower than the rate contract price, to any person or organization during the currency of the rate contract, the rate contract price will be automatically reduced with effect from that date for all the subsequent supplies under the rate contract and the rate contract amended accordingly. Other parallel rate contract holders, if any, are also to be given opportunity to reduce their price as well, by notifying the reduced price to them and giving them 15 (fifteen) days time to intimate their revised prices, if they so desire, in sealed cover to be opened in public on the specified date and time and further action taken as per standard practice.

On many occasions, the parallel rate contract holders attempt to grab more orders by unethical means by announcing reduction of their price (after getting the rate contract) under the guise of Fall Clause. This situation is also to be dealt with in similar manner as mentioned in the preceding paragraph.

It is however, very much necessary that the purchase organizations keep special watch on the performance of such rate contract holders who reduce their prices on one pretext or other. If their performances are not upto the mark, appropriately severe action should be taken against them including debarring them, suspending business deals with them, etc.

14.15 Performance Security

Depending on the anticipated overall drawal against a rate contract and, also, anticipated number of parallel rate contracts to be issued for an item, the Central Stores Department (DO) shall consider obtaining performance security of reasonable amount from the rate contract holders. A suitable clause to this effect is to be incorporated in the tender enquiry documents. Performance Security shall, however, not be demanded in the supply orders issued against rate contracts.

14.16 Renewal of Rate Contracts

It should be ensured that new rate contracts are made operative just before the expiry of the existing rate contracts without any gap for all rate contracted items. In case, however, it is not possible to conclude new rate contracts due to some special reasons, timely steps are to be taken to extend the existing rate contracts with same terms, conditions etc. for a suitable period, with the consent of the rate contract holders. Rate contracts of the firms, who do not agree to such extension are to be left out. Also, while extending the existing rate contracts, it shall be ensured that the price trend is not lower.

14.17 Placement of Supply Orders

Supplies are to be obtained against a rate contract by placing on the rate contracted firm supply order containing the quantity of the goods to be supplied and incorporating the prices and other relevant terms and conditions of the rate contract. The officials placing such supply orders should be duly competent and authorized to do so.

A supply order should generally contain the following important details:

- (a) Rate Contract No. and date.
- (b) Quantity. (Where there is more than one consignee, the quantity to be dispatched to each consignee is to be indicated).
- (c) Price.
- (d) Date of Delivery by which supplies are required.

(In the supply order, a definite delivery date based on the delivery period stipulated in the rate contract is to be provided). However, in emergent situation, the suppliers may be requested to supply the bearest minimum quantity within the shortest possible period and the remaining quantity as per the stipulated period as mentioned in the Rate Contract.

- (e) Full address of the purchase organization along with telephone. No., Fax No. and E. mail address.
- (f) Complete and correct designation and full postal address of the consignee(s)/goods receiving officer(s) along with telephone No., Fax No. and E-mail address.
- (g) Dispatch instructions

Copies of supply orders are to be endorsed to all concerned.

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CHAPTER -15

PATIENT ACCOUNTS SYSTEM

Certain consumables, implants, stents, valves, pacemaker, ICD, IOL etc. are being purchased by the Hospital/Centres for the use of patients out of the money deposited by them for their specific treatment. These items have wide range of variability in their sizes/dimensions and it is practically not possible to purchase the entire range of products in advance from a single firm. These items are purchased by the Hospital/Centres as and when they are required to be used for the patients from the amount deposited by the patients. The use of a particular item/stent/implants, etc. are based on the individual patient requirements at the discretion of treating physician/surgeon. These items are not easily available in the open market being specific in nature, therefore, it becomes necessary to have valid rate contracts after following prescribed purchase procedure as detailed under:

Purchase procedure to be followed for the patients out of their deposited money under “Package” items:-

1. Specifications shall be framed in such a way that the items are grouped/packaged or on individual basis as per the actual requirement.
2. Open tenders shall be floated by publishing tender invitation in major national dailies and ITJ giving due time for sale and submission for processing as per rules after getting the approved specifications from the competent specification committee. The same tender notification shall also be published through the institute's Web Sites & Govt. Web site.
3. These tenders shall be floated, under two bid system, inviting bids, in two parts, Part-I containing “Techno-commercial bid” and Part-II containing “Price Bid”, with the approved specifications and indicating the scope of rate contract (Multiple Rate Contract, here means awarding more than one contract of same item of different makes in favor of multiple approved suppliers at variable justified rates. The justification of rates are to be given by the user faculty and the same to be recommended by the Store Purchase Committee with the approval of the competent authority).

4. In two bid system, the technical bids of the prospective tenderers shall be opened in presence of a tender opening committee consisting of representative of user department/ Stores Officer/ASO, Financial Advisor or his nominee, representatives of the prospective bidders (whoever present).
5. The technical bids shall then be sent to the technical evaluation committee appointed by the competent authority for the purpose to examine the technical bids in accordance with the tender specifications and requirements as mentioned in the tender.
6. The technical evaluation committee also examine/verify samples physically submitted by the prospective bidders and makes a comparative analysis along with selection/rejection remarks against each item tendered.
7. The Financial Bids of technically shortlisted firms shall be opened in presence of Financial Bid opening Committee consisting of representative of user department, Stores Officer/ASO, Financial Advisor or his nominee and representatives of technically shortlisted firms (whoever present).
8. The file shall then be forwarded to the user department for price bid evaluation to check the price reasonability and the technically shortlisted items of all the selected makes shall then be recommended for purchase by the departmental technical committee.
9. Subsequently, the cases shall be placed before the Stores Purchase Committee for consideration and approval. In case, SPC desires to negotiate with the selected firms, then the negotiations may be held by the subcommittee members constituted by the Chairperson, SPC.
10. Thereafter, orders shall be placed with the approved firms on negotiated rates, upon the recommendations of treating consultants as per the specific requirement on patient to patient basis after the patient has deposited the money. The order may be placed by concerned Store Keeper based on the past consumption and the requirement submitted by the user department from the Revolving Fund (Funds deposited by the Patient). However, in exigency, the material can be arranged telephonically by the treating consultant in anticipation of placing of order and other requisite formalities.
11. **Inspection of stores**
Whenever, supplies are received at the user departments, the concerned treating consultant and Sister In-charge of the concerned area will sign the Challans and forward to the concerned Store Keeper after verifying, inspecting & installing the implants/items received in accordance with the requisite specifications along with the details of the patient.

CHAPTER - 16

INVENTORY MANAGEMENT

16.1 Receipt procedure: The suppliers send the goods to the respective stores. The Delivery Challan sent with the goods is first checked by the concerned Store Keeper/JSO/ASO, reconciled with the concerned supply order and accepted for inspection by the Committee. The stores to be inspected are kept outside the store in an inspection area. There will be Inspection Committee constituted by the Medical Superintendent /Chief of the Centres /HODs that inspects the goods. After the inspection and approval of quality and quantity of goods as per supply order by the competent Inspection Committee for this purpose, the goods will be taken into the store and taken on charge by the storekeeper. An inspection note will be prepared by the Store Keeper, which is signed by the concerned ASO/SO and thereafter duly countersigned by the Officer-in-charge of respective stores. The inspection note is then sent to the Stores Accounts Department, by the concerned Stores Officer. The inspection note is a financial document on the basis of which payment is released to the vendor. One copy of inspection note is forwarded to the concerned Stores Officer (who is in-charge of the procurement) and the concerned firm submits the bill along with copy of Inspection note to the Store Accounts Section for payment.

16.2 Receipt / issue of goods and materials from internal divisions of the same organization:

(1) The indenting officer requiring goods and materials from internal division(s) of the same organization should project an indent in the prescribed form for this purpose. While receiving the supply against the indent, the indenting officer shall examine, count, measure or weigh the materials as the case may be, to ensure that the quantities are correct, the quality is in line with the required specifications and there is no damage or deficiency in the materials. The indenting officer to the division sending the materials shall also give an appropriate receipt to this effect.

(2) In the case of issue of materials from stock for departmental use, the Officer-in-charge of the stores shall see that the indenting officer has projected an appropriate indent, in the prescribed form. A written acknowledgement of receipt of material issued shall be obtained from the indenting officer or his authorized representative at the time of issue of materials in case of manual indent.

(3) If the Officer-in-charge of the stores is unable to comply with the indent in full, he should make the supply to the extent available and make suitable entry to this effect in the indenter's copy of the

indent. In case alternative materials are available in lieu of the indented materials, a suitable indication to this effect may be made in the document.

(4) The process of computerization as per the Standard Module has been made operational for most patient care areas at AIIMS. In case of online indents the process mentioned in the module will be followed.

16.3 Custody of goods and materials: The Store Keeper under the supervision of concerned Store Officer/ASO/ Officer In-charge will be responsible for custody of goods and materials, especially valuable and / or combustible articles and shall take appropriate steps for arranging their safe custody, proper storage, accommodation, including arrangements for maintaining required temperature, dust free environment etc.

16.4 Lists and Accounts:

(1) The Store Keeper under the supervision of the concerned ASO/SO/ OI/C of stores shall maintain suitable item-wise lists and accounts and prepare accurate returns in respect of the goods and materials in his/her charge making it possible at any point of time to check the actual balances with the book balances. The form of the stock accounts mentioned above shall be determined with reference to the nature of the goods and materials, the frequency of the transactions and the special requirements of the concerned Departments.

(2) Separate accounts shall be kept for

- (i) Fixed Assets such as plant, machinery, equipment, furniture, fixtures etc. in the Form GFR – 40 by the concerned Store Wing.
- (ii) Consumables such as office stationery, chemicals and maintenance, spare parts, etc. in Form GFR - 41.
- (iii) Library books in the Form GFR 35
- (iv) Assets of historical / artistic value held by museum / govt. departments in the Form GFR - 42.

Note: Departments can supplement these forms with additional details as required.

16.5 Transfer of charge of goods, materials etc: In case of transfer of Store Keeper of the Concerned Stores, the transferred officer shall see that the goods or material are made over correctly to his successor. A statement giving all relevant details of the goods, materials etc., in question shall be prepared and signed with date by the relieving officer and the relieved officer. Each of these officers will retain a copy of the signed statement.

16.6 Maintenance of Register of Non-consumable items by the concerned Departments/Sections/Units/ Offices:

Stock Ledger of Non-consumable items should be maintained by the concerned Departments/Sections/ Units/Offices and should be periodically updated.

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CHAPTER - 17

MISCELLANEOUS (Specific Conditions)

17.1 Buy Back Offer

At times, the user department submits a request for replacement of an existing equipment with an improved version of the same equipment. In such cases the following conditions must be examined before processing the case:

- a) The existing equipment must have completed / nearly completed its useful life, as verified by OEM. This implies that the warranty and post Warranty period/CAMC/AMC period should have been completed.
- b) For high value equipment costing more than 30 lakh, global tender should be floated to ensure wide competition.
- c) Upgradation of existing equipments, should be discouraged unless it is provided **at a reasonable cost with justification of price to be submitted by the department with signatures of atleast 3 faculty members.**
- d) The proposal for upgrade should be accompanied with a cost effectiveness analysis proposal, duly signed by a committee of at least 3 senior Faculty Members.

When it is decided with the approval of the competent authority to replace some existing old goods with their newer and better versions/substitutes, the department may trade the existing old goods while purchasing the new ones. For this purpose, suitable clauses are to be incorporated in the tender enquiry document so that the interested tenderers formulate and submit their tenders accordingly. Provision should also be kept in the tender documents to permit the interested tenderers to inspect the old goods to be traded through this transaction.

Depending on the value and condition of the old goods to be traded, the time frame for as well as the mode of handing them over to the successful tenderer should be decided and relevant details in this regard suitably incorporated in the

tender document. The original value of the item to be written off from the book of the respective Centres /Hospital/Departments after following due condemnation procedure.

17.2 Maintenance Contract (CAMC/AMC)

17.2.1 Some goods, especially sophisticated equipment and machinery need proper maintenance for trouble free service. For this purpose, the purchase organization may enter into maintenance contract. It must however be kept in mind that maintenance contract is to start after the expiry of the warranty period, during which period the equipment are to be maintained free of cost by the supplier.

17.2.2 Maintenance contract may be entered into either with the original equipment manufacturer/authorized distributor /service provider of the goods or with a competent and eligible firm. **The AIIMS** should decide this aspect on case to case basis on merit. If the maintenance contract is to be entered into with the supplier of the goods, then suitable clauses for this purpose are to be incorporated in the tender document itself and while evaluating the offers, the cost component towards maintenance of the equipment are also to be added in the evaluated tender value on overall basis to decide the inter se financial ranking of the responsive tenderers. An equipment with a lower quoted price may carry a higher maintenance liability. Therefore, total cost on purchase and maintenance of the equipment over its projected lifecycle should be assessed to consider its suitability for purchase.

However, in exceptional cases if the maintenance contract is to be entered into with a competent and eligible supplier separately, then a separate tender enquiry is to be floated for this purpose and tenders evaluated and ranked accordingly for placement of maintenance contract. Here, the supplier of the goods may also quote and its quotation, if received, is to be considered along with other quotations received.

17.2.3 The details of the services required for maintenance of the goods, the required period and type of maintenance (CAMC/AMC) and other relevant terms & conditions including payment terms are to be incorporated in the tender enquiry document. The terms of payment for the maintenance service will depend on the nature of the goods to be maintained as well as the nature of the services desired. Generally, payment for maintenance are made on half-yearly or quarterly basis, in arrears.

17.2.4 A suitable provision should be incorporated in the tender enquiry document and in the resultant maintenance contract indicating that the prices charged by the maintenance contractor should not exceed the prevailing rates charged by it from others for similar services. While claiming payment, the contractor is also to give a certificate to this effect in its bill.

Maintenance charges should be accepted based upon the cost of the equipment considering the manufacturing cost as under:

<u>Cost of the Equipment</u>	<u>AMC Charges (in % of the original cost of the equipment)</u>	<u>CMC Charges (in % of the original cost of the equipment)</u>
Above Rs.1 Lac and upto Rs.5 Lacs	Not more than 6%	Not more than 12%
Above Rs.5 Lacs and upto Rs.10 Lacs	Not more than 5%	Not more than 11%
Above Rs.10 Lacs and upto Rs.25 Lacs	Not more than 4%	Not more than 8%
Above Rs.25 Lacs and upto Rs.50 Lacs	Not more than 3%	Not more than 7%
Above Rs.50 Lacs and upto Rs.2 Crores	Not more than 2%	Not more than 5%
Above Rs.2 Crores	Not more than 1%	Not more than 4%

17.2.5 If the goods to be maintained are sophisticated and costly, the tender enquiry document should also have a provision for obtaining performance security. The amount of performance security will depend on the nature of the goods, period of maintenance etc. **It may be calculated at 10% of the AMC/CMC charges finalized for maintenance of the machine.**

17.2.6 Sometimes, the maintenance contractor may have to take the goods or some components of the goods to its factory for repair etc. On such occasions, before handing over the goods or components, specific recommendations of the user Department/HOD shall be obtained depending upon the past performance of the supplier with the approval of the competent authority. **On such occasions, before handing over the goods or components, Indemnity Bond is to be obtained from the firm to safeguard the interest of the Institute.**

17.2.7 Sometimes, during the tenure of a maintenance contract, especially with a longer tenure, it may become necessary for the purchase organization to withdraw the maintenance contract due to some unforeseen reasons. To take care of the same, there

should be a suitable provision in the tender document and in the resultant contract. A model clause to this effect is provided below:

“The purchaser reserves its right to terminate the maintenance contract at any time without assigning any reason. The contractor will not be entitled to claim any compensation against such termination. However, while terminating the contract, if any payment is due to the contractor for maintenance services already performed in terms of the contract, the same would be paid to it as per the contract terms”.

Depending on the cost and nature of the goods to be maintained, suitable notice period for such cancellation to come into effect is to be provided in the documents.

17.3 Turnkey Contract

A turnkey contract is a mix of goods contract and works contract. Generally, in the tender enquiry documents for a turnkey contract, the purchase organization specifies the performance and output required from the plant proposed to be set up and broadly outlines the various parameters it visualizes for the desired plant. The inputs and other facilities, which the purchase organization will provide to the contractor are also indicated in the tender enquiry document. The contractor is to design the plant and quote accordingly. The responsibility of the contractor will include supplying the required goods, machinery, equipment etc. needed for the plant; assembling, installing and erecting the same at site as needed; commissioning the plant to meet the required output etc., as specified in the tender enquiry documents.

While entering into a turn-key contract, Hospital/Centres/ Departments have to follow the relevant instructions prescribed in the Purchase Manual for Goods; It is the responsibility of the user department to ensure that the pre-requisites for installation of equipment such as space, power, water supply and manpower requirement etc. are made available before the arrival of the costly equipments in the Institute in order to obviate any delay in installation of such equipment within the stipulated time frame. In addition, the Bill of Quantities for construction related items (civil, electrical, A/C, telecom, computer, ..) must be got verified by the concerned division of the Institute. A duly constituted committee of all stakeholders should be formed for proper monitoring.

17.4 Disposal of Surplus Goods

With the passage of time, many of the goods purchased by the Centres/Departments become unserviceable or obsolete. Such goods are classified as surplus goods. The Centres /Departments should dispose off such surplus goods at the earliest, to avoid unnecessary inventory carrying cost, decrease in resale price of those goods etc.

Detailed comprehensive instructions for disposal of surplus goods are available under Rules 196 to 202 of General Financial Rules-2005, as provided under **Annexure 'P'** of this manual. The Hospital/Centres/Departments are to follow the same for this purpose.

17.5 Computerization of Purchase Work

Hospital/Every Centre/Department should attempt to computerize all the areas of purchase management to the maximum extent possible and develop a suitable package for these purpose through a competent IT firm. This will ultimately result in better efficiency, more speed in performing the duties and, also, reduction in the overall expenditure.

17.6 Training

Purchase management is a specialized subject and, therefore, the officials entrusted with purchase work should be adequately trained at the entry level itself to avoid mistakes in tender evaluation, placement of contract, contract management etc., because any mistake in public procurement may cause financial repercussions, operational hold-ups, and unwarranted legal complications for the Ministries/Departments.

In addition to entry level training, the purchase officials should also be sent for in-service training periodically to keep them abreast with the changing scenario and latest techniques of Purchase Management taking place within as well as outside the country.

17.7 Purchase of Vehicles :

Purchase of Vehicles should be dealt separately as per the norms framed by the Central Govt., as amended from to time, as per the delegation of powers by Competent Authority from time to time.

17.8 Beyond the Manual

The important and significant areas of Public Buying have been covered in this Manual. A situation may, however crop up in a purchase case for which no solution

may be readily available in this Manual. In such a situation, the Centres/Departments may seek advice and guidance from the Main Stores Purchase Committee and appropriate action may be taken accordingly with the approval of the competent authority.

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OUTSOURCING OF SERVICES

See page 60-61 of GFR

18.2. OUTSOURCING OF SERVICES:

AIIMS or its constituents centers etc. may hire external professionals, consultancy firms or consultants (referred to as consultant hereinafter) for a specific job, which is well defined in terms of content and time frame for its completion or outsource certain services.

This chapter contains the fundamental principles applicable to AIIMS or its constituents centers etc. regarding engagement of consultant(s) and outsourcing of services. Detailed instructions to this effect may be issued by the concerned Ministries or Departments. However, the Ministries or Departments shall ensure that they do not contravene the basic rules contained in this chapter.

Identification of Work/Services required to be performed by Consultants: Engagement of consultants: Engagement of consultants may be resorted to in situations requiring high quality services for which the concerned Ministry/Department does not have requisite expertise. Approval of the competent authority should be obtained before engaging consultant(s).

Preparation of scope of the required work/service: AIIMS or its constituents centers etc. should prepare in simple and concise language the requirement, objectives and the scope of the assignment. The eligibility and pre-qualification criteria to be met by the consultants should also be clearly identified at this stage.

Estimating reasonable expenditure: AIIMS or its constituents centers etc. proposing to engage consultant(s) should estimate reasonable expenditure for the same by ascertaining the prevalent market conditions and consulting other organizations engaged in similar activities.

Identification of likely sources:

- i) Where the estimated cost of the work or service is upto Rupees twenty-five lakhs, preparation of a list of potential consultants may be prepared on the basis of formal or informal enquiries from other Hospitals or Departments or Organizations involved in similar activities.
- ii) Where the estimated cost of the work or service is above Rupees twenty-five lakhs, in addition to (i) above, an enquiry for seeking 'Expression of Interest' from consultants should be published in at least one national daily and the AIIMS web site. The web site address should also be given in the advertisements. Enquiry for seeking Expression of Interest should include in brief, the broad scope of work or service, inputs to be provided by the AIIMS or its constituents centers etc. eligibility and the pre-qualification criteria to be met by the consultant(s) and consultant's past experience in similar work or service.

The consultants may also be asked to send their comments on the objectives and scope of the work or service projected in the enquiry. Adequate time should be allowed for getting responses from interested consultants.

Short listing of consultants: On the basis of responses received from the interested parties, consultants meeting the requirements should be short listed for further considerations. The number of short listed consultants should not be less than three.

Preparation of Terms of Reference (TOR): The TOR should include

- i) Precise statement of objectives.
- ii) Outline of the tasks to be carried out;
- iii) Schedule for completion of tasks
- iv) The support or inputs to be provided by the AIIMS or its constituents centers etc. to facilitate the consultancy.
- v) The final outputs that will be required of the Consultant:

Preparation and issue of Request for Proposal (RFP): RFP is the document to be used by the AIIMS or its constituents centers etc. for obtaining offers from the consultants for the required work/service. The RFP should be issued to the shortlisted consultants to seek their technical and financial proposals. The RFP should contain:

- i) A letter of invitation
- ii) Information to Consultants regarding the procedure for submission of proposal.
- iii) Terms of Reference (TOR)
- iv) Eligibility and pre-qualification criteria in case the same has not been ascertained through Enquiry for Expression of Interest.
- v) List of key position whose CV and experience would be evaluated.
- vi) Bid evaluation criteria and selection procedure.
- vii) Standard formats for technical and financial proposal.
- viii) Proposed contract terms.
- ix) Procedure proposed to be followed for midterm review of the progress of the work and review of the final draft report.

Receipt and opening of proposals: Proposals should ordinarily be asked for from consultants in 'Two-bid' system with technical and financial bids sealed separately. The bidder should put these two sealed envelopes in a bigger envelope duly sealed and submit the same to the Ministry or Department by the specified date and time at the specified place. On receipt, the technical proposals should be opened first by the Ministry or Department at the specified date, time and place.

Late Bids: Late bids i.e. bids received after the specified date and time of receipt, should not be considered.

Evaluation of Technical Bids: Technical bids should be analyzed and evaluated by a Consultancy Evaluation Committee (CEC) constituted by the Ministry or Department. The CEC shall record in detail the reasons for acceptance or rejection of the technical proposals analysed and evaluated by it.

Evaluation of Financial Bids of the technically qualified bidders: The Ministry or Department shall open the financial bids of only those bidders who have been declared technically qualified by the Consultancy Evaluation Committee as per Rule mentioned above for further analysis or evaluation and ranking and selecting the successful bidder for placement of the consultancy contract.

Consultancy by nomination: Under some special circumstances, it may become necessary to select a particular consultant where adequate justification is available for such single-source selection in the context of the overall interest of the AIIMS or Department. Full justification for single source selection should be recorded in the file and approval of the competent authority obtained before resorting to such single-source selection.

Monitoring the Contract: The Ministry/Department should be involved throughout in the conduct of consultancy, preferably by taking a task force approach and continuously monitoring the performance of the consultant(s) so that the output of the consultancy is in line with the Ministry/Department's objectives.

18.2.1. Outsourcing of Services: A Centre or Department may outsource certain services like Advt. of tenders in the Press, Hiring of Transport Services, Deployment of Man power, Security Services, Parking facility, Commercial establishments, etc. in the interest of economy and efficiency with full justification and it may prescribe detailed instructions and procedures for this purpose without, however, contravening the following basic guidelines.

18.2.2. Identification of likely contractors: The Centre or Department should prepare a list of likely and potential contractors on the basis of formal or informal enquiries from other Centres or Departments and Organisations involved in similar activities, scrutiny of 'Yellow pages', and trade journals, if available, web site etc.

18.2.3. Preparation of Tender enquiry: Centre or Department should prepare a tender enquiry containing, inter alia :

- (i) The details of the work or service to be performed by the contractor;
- (ii) The facilities and the inputs which will be provided to the contractor by the Centre or Department;
- (iii) Eligibility and qualification criteria to be met by the contractor for performing the required work / service; and
- (iv) The statutory and contractual obligations to be complied with by the contractor.

18.2.4. Invitation of Bids:

(a) For estimated value of the work or service upto Rupees ten lakhs or less: The Centre or Department should scrutinise the preliminary list of likely contractors as identified as per Rule 18.2.2 above, decide the

prima facie eligible and capable contractors and issue limited tender enquiry to them asking for their offers by a specified date and time etc. as per standard practice. The number of the contractors so identified for issuing limited tender enquiry should not be less than six.

(b) For estimated value of the work or service above Rupees ten lakhs:

The Centre or Department should issue advertised tender enquiry asking for the offers by a specified date and time etc. in at least one popular largely circulated national newspaper and web site of the Centre or Department.

18.2.5 Late Bids: Late bids i.e. bids received after the specified date and time of receipt, should not be considered.

18.2.6. Evaluation of Bids Received: The Centre or Department should evaluate, segregate, rank the responsive bids and select the successful bidder for placement of the contract.

18.2.7. Outsourcing by Choice: Should it become necessary, in an exceptional situation to outsource a job to a specifically chosen contractor, the Competent Authority in the Centre or Department may do so in consultation with the Financial Adviser. In such cases the detailed justification, the circumstances leading to the outsourcing by choice and the special interest or purpose it shall serve shall form an integral part of the proposal.

18.2.8. Monitoring the Contract: The Centre or Department should be involved throughout in the conduct of the contract and continuously monitor the performance of the contractor.

ANNEXURES

Annexure 'A'

PURCHASE OF GOODS WITHOUT QUOTATIONS
(For Purchase of goods up to the value of Rs.15,000/Rs.1,00,000
(Strike out whichever is not applicable)

"I, am personally satisfied that these goods Purchased are of the requisite quality and specification and have been Purchased from a reliable supplier at a reasonable price."

"It is further certified that the required item is for specific use of the R&D and will be utilized for the project titled _____ (Project No.)" (Strike out if not applicable)

"It is certified that the item is not available in the store."

Sanctioned Rs. _____ (In figures and Words)

Signature of the Sanctioning authority

Date _____

Name & Designation _____

PURCHASE OF GOODS BY LOCAL PURCHASE COMMITTEE

(For Purchase of goods valuing between Rs.1.00 to 5 lakhs only/15,001 to 1 Lakh)

(Strike out whichever is not applicable)

“Certified that we, the members of the Purchase Committee are jointly and individually satisfied that the goods recommended for Purchase are of the requisite specification and quality, priced at the prevailing market rate and the supplier recommended is reliable and competent to supply the goods in question. Accordingly we enclose the quotation No..... dated of M/s..... for placing Purchase Order.

Member

Member

Member

Name:

Desig. :

Divn. :

Date:

“It is certified that the required item is for specific use of the R&D and will be utilized for the project titled”
_____ (Project No.)” *(Strike out is not applicable)*

Sanctioned Rs. _____ (In figures and Words)

Signature of the Sanctioning authority

Date _____

Name & Designation _____

Specification Certificate by the Technical sub-committee of the Technical & Purchase Committee (T& PC)

(To be furnished after holding Pre-Indent Conference)

It is certified that the specification and pre-indent qualification (RQ) criteria for..... (Name of Item).....required for the.....(Name of Division).....has been finalized after holding discussion with /seeing presentation of the OEMs, their authorized agencies vendors/suppliers/System Integrators etc. Listed below:

- 1.....
- 2.....
- 3.....
- 4.....
- 5.....
- 6.....
- 7.....

It is further stated that the credentials/technical capabilities/financial standings/track record of the firms mentioned above have been evaluated /verified by us and therefore, we recommend issuing tenders on Limited basis only to the firms short listed above.

The final Specification and the Pre-Qualification criteria are attached herewith for further action.

Signatures:

(Project Leader/Indenter)
Name & Designation

(Tech. Member 1)
Name & Designation

(Tech Member 2)
Chairman
Name & Designation

(Tech. Member 3)
Name & Designation

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ANSARI NAGAR, NEW DELHI: 110 029.

PROPRIETARY/SPECIFIC BRAND GOODS CERTIFICATE

- 1 Item/Type/Model No. Required alongwith
. specification.
- 2 If the item is a spare part /attachment/
. accessory/consumable for an existing
equipment.
- 3 Name of the Manufacturer / supplier of the
. item proposed by the indenter.
- 4 Are they sole manufacturer / sale distributor
. of the item.
- 5 If there any other item with similar /
. equivalent specification available in the
market to meet the job requirement
envisaged. If the answer is yes, why the
same can't be procured. Indenter should
bring out comparative functional
advantages / cost effectiveness of the
recommended item from these offered by
others.
- 6 What were the efforts made to locate
. alternative source of supply or use other
substitutes.
- 7 Why Open / Limited tender can't be
. resorted to, for locating alternative
source(s)?
- 8 Are the Proprietary items proposed to be
. purchased at reasonable rates (documentary
evidence may be enclosed)
- 9 Any other justification for procuring item
. from single source.

I certify that the item at Sr. No.1 above is required to be procured on single tender basis as the source of supply is definitely known / the specified brand proposed is advantageous and meeting our functional requirements and limited tender system could be dispensed with as they would serve no useful purpose in this particular case.

(Strike out whichever in not applicable)

**Signature of Indenter
(Demanding Officer)**

(HEAD OF THE DEPARTMENT)

PROPRIETARY USAGE CERTIFICATE

For requirement of this project/section/Division, the item/s _____ is/are required to be Purchased from Manufacturers/dealers.....only in order to maintain consistency, continuity, of established/standardized methods protocols and SOPs

It is further declared that any deviation in respect of material inputs at this stage will affect the integrity, authenticity and validity of analysis / result.

It is also certified that this item is being procured at a reasonable rate (documentary evidence) is enclosed.

(Signature)

Name of Indenting Officer

Designation.....

Date:

Signature of HOD

Name.....

Designation.....

Date:

MODEL BANK GUARANTEE FORMAT FOR FURNISHING BID SECURITY (EMD)

Whereas.....(hereinafter called the "tenderer") has submitted their offer dated..... for the supply of..... (hereinafter called the "tender") against the Purchaser's tender enquiry No..... KNOW ALL MEN by these presents that WE.....of.....at.....are bound unto (hereinafter called the "Purchaser) in the sum of

For which payment will and truly to be made to the said Purchaser, the Bank binds itself, its successors and assigns by these presents. Sealed with the Common Seal of the Said Bank this day of 20.....

THE CONDITIONS OF THIS OBLIGATION ARE:

- (1) If the tenderer withdraws or amends, impairs or derogates from the tender in any respect within the period of validity of this tender.**
- (2) If the tenderer having been notified of the acceptance of his tender by the Purchaser during the period of its validity:-**
 - (a) If the tenderer fails to furnish the Performance Security for the due Performance of the contract.**
 - (b) Fails or refuses to accept/execute the contract.**

WE undertake to pay the Purchaser up to the above amount upon receipt of its first written demand, without the Purchaser having to substantiate its demand, provided that in its demand the Purchaser will note that the amount claimed by its is due to it owing to the occurrence of one or both the two conditions, specifying the occurred condition or conditions.

This guarantee will remain in force upto and including 45 days after the period of tender validity and any demand in respect thereof should reach the Bank notice after than the above date.

..... Signature of the authorized officer of the Bank)

.....Name and Designation of the officer

..... Seal, name & address of the Bank and address of the Branch

PERFORMANCE SECURITY FORM

MODEL BANK GUARANTEE FORMAT FOR PERFORMANCE SECURITY

To,

.....

WHEREAS.....

(Name and address of the supplier) (hereinafter called “the supplier”) has undertaken, in pursuance of contract no.13-2(43)/2006-07-Pur dated

To supply (description of goods and services) (herein after called “the contract”)

AND WHEREAS it has been stipulated by you in the said contract that the supplier shall furnish you with a bank guarantee by a scheduled commercial bank recognized by you for the sum specified therein as security for compliance with its obligations in accordance with the contract:

AND WHEREAS we have agreed to give the supplier such a bank guarantee;

NOW THEREFORE we hereby affirm that we are guarantors and responsible to you, on behalf of the supplier, up to a total of(amount of the guarantee in words and figures), and we undertake to pay you, upon your first written demand declaring the supplier to be in default under the contract and without cavil or argument, any sum or sums within the limits of (amount of guarantee) as aforesaid, without your needing to prove or to show grounds or reasons for your demand or the sum specified therein.

We hereby waive the necessity of your demanding the said debt from the supplier before presenting us with the demand.

We further agree that no change or addition to or other modification of the terms of the contract documents which may be made between you and the supplier shall in any way release us from any liability under this guarantee and we hereby waive notice of any such change, addition or modification.

This guarantee shall be valid until the day of 20.....

Signature of the authorized officer of the Bank)

.....

Name and designation of the officer

.....

Seal, name & address of the Bank and address of the Branch

BANK GUARANTEE FORM FOR ADVANCE PAYMENT

To:

_____ (name of Purchaser)
_____ (address of Purchaser)
_____ (name of Contract)

Gentlemen:

In accordance with the provisions of the Purchase Order No. _____, dated _____, M/s. _____, (name and address of Supplier) hereinafter called "the supplier") shall deposit with _____ (name of Purchaser) a bank guarantee to guarantee his proper and faithful performance under the said Clause of the Contract in an amount of (amount of guarantee * _____ (in words).

We, the _____ (bank or financial institution), as instructed by the Supplier, agree unconditionally and irrevocably to guarantee as primary obligator and not as Security merely, the payment to (name of Purchaser) on his first demand without whatsoever right of objection on our part and without his first claim to the Supplier, in the amount not exceeding _____ (amount of guarantee)* _____ (in words).

We further agree that no change or addition to or other modification of the terms of the Contract to be performed there under or of any of the Contract documents which may be made between (name of Purchaser) and the Supplier, shall in any way release us from any liability under this guarantee, and we hereby waive notice of any such change, addition or modification.

This guarantee shall remain valid and in full effect from the date of the advance payment received by the Supplier under the contract until _____.

Yours truly,
Signature and Seal:
Name of Bank/
Financial institution:
Address:
Date:

_____ An amount is to be inserted by the bank or financial institution representing the amount of the Advance Payment.

ANNEXURE - I
(Ref. Para 8.14 of Chapter 8)

**MODEL AMENDMENT LETTER FOR EXTENSION OF DELIVERY PERIOD
FOR FOB/FAS/CIF CONTRACT**

Registered Acknowledgement Due

Address of the purchaser

To

M/s

Sub : This office contract no..... dated placed on you for supply of

Ref : Your letter no..... dated

Dear Sirs,

You have failed to deliver the goods / entire quantity of the goods within the contract deliver period/delivery period as last extended up to _____. In your above referred letter, you have asked for extension/ further extension of time for delivery. In view of the circumstances stated in your above referred letter, the time of delivery is extended from _____ (last delivery period) to _____ (presently agreed delivery period).

2. Please note that in terms of clause..... of the contract, a sum equivalent to% (..... per cent) of the delivered price of the delayed goods for each week of delay or part thereof (subject to the ceiling as provided in the aforesaid clause) beyond the original contract delivery date/the last unconditionally re-fixed delivery date (as & if applicable) viz. zzz will be recovered from you as liquidated damages.

3. The above extension of delivery date will also be subject to the further condition that, notwithstanding any stipulation in the contract for increase in price on any ground, no such increase, whatsoever, which takes place after zzz shall be admissible on such of the said goods as are delivered after the said date. But, nevertheless, the purchaser shall be entitled to the benefit of any decrease in price on any ground (including the impact of the price variation

clause, if incorporated in the contract), which takes place after the expiry of the above mentioned date namely *zzz*.

4. You are also required to extend the validity period of the performance guarantee for the subject contract from (present validity date) to (required extended date) within fifteen days of issue of this amendment letter.

5. Please intimate your unconditional acceptance of this amendment letter within ten days of the issue of this letter failing which the contract will be cancelled at your risk and expense without any further reference to you.

All other terms & conditions of the contract remain unaltered.

Yours faithfully,

(.....)
for and on behalf of.....

Copy to :

.....
.....
.....
(All concerned)

zzz Original delivery date or the last unconditionally re-fixed delivery date (as the case may be)

NB : The entries which are not applicable for the case under consideration are to be deleted.

ANNEXURE - J
(Ref. Para 8.14 of Chapter 8)

**MODEL AMENDMENT LETTER FOR EXTENSION OF DELIVERY PERIOD
FOR CONTRACT OTHER THAN FOB/FAS/CIF CONTRACT**

Registered Acknowledgement Due

Address of the purchase office

To

M/s

Sub : This office contract no..... dated Placed on you for supply of

Ref : Your letter no..... dated

Dear Sirs,

You have failed to deliver the goods / entire quantity of the goods within the contract deliver period/delivery period as last extended up to _____. In your above referred letter, you have asked for extension/ further extension of time for delivery. In view of the circumstances stated in your above referred letter, the time of delivery is extended from _____ (last delivery period) to _____ (presently agreed delivery period).

2. Please note that in terms of clause..... of the contract, a sum equivalent to% (..... per cent) of the delivered price of the delayed goods for each week of delay or part thereof (subject to the ceiling as provided in the aforesaid clause) beyond the original contract delivery date/the last unconditionally re-fixed delivery date (as & if applicable) viz. zzz will be recovered from you as liquidated damages.

3. The above extension of delivery date will also be subject to the following further conditions:-

- i) That no increase in price on account of any statutory increase in or fresh imposition of custom duty, excise duty, sales tax or on account of any other tax or duty leviable in respect of the goods

specified in the said contract, which take place after *zzz* shall be admissible on such of the said goods as delivered after the said date.

- ii) That notwithstanding any stipulation in the contract for increase in price on any ground, no such increase whatsoever, which takes place after *zzz* shall be admissible on such of the said goods as are delivered after the said date.
- iii) But nevertheless, the purchaser shall be entitled to the benefit of any decrease in price on account of reduction in or remission of custom duty, excise duty, sales tax or on account of any other tax or duty or any other ground whatsoever, including the impact of price variation clause (if incorporated in the contract), which takes place after the expiry of the above mentioned date namely *zzz*.

4. You are also required to extent the validity period of the performance guarantee for the subject contract from(existing date) to (required extended date) within fifteen days of issue of this letter.

5. Please intimate your unconditional acceptance of this amendment letter, to reach this office within ten days of issue of this letter, failing which the contract will be cancelled at your risk and expense without any further reference to you.

All other terms & conditions of the contract remain unaltered.

Yours faithfully,

(.....)
for and on behalf of.....

Copy to :

.....
.....
.....
(All concerned)

zzz Original delivery date or the last unconditionally re-fixed delivery date (as the case may be)

NB : The entries which are not applicable for the case under consideration are to be deleted.

ANNEXURE - K
(Ref. Para 8.15 of Chapter 8)

MODEL FORMAT FOR PERFORMANCE NOTICE

Registered Acknowledgement Due

To _____

M/s _____

Sub : Contract No..... dated placed on you for supply of

Dear Sirs,

Your attention is invited to the acceptance of tender cited above, according to which suppliers ought to have been completed by you on or before _____. In spite of the fact that the time of delivery of the goods stipulated in the contract is deemed to be of the essence of the contract, it appears that xx are still outstanding even though the date of delivery has expired.

2. Although not bound to do so, the delivery date is hereby extended to _____ and you are requested to note that in the event of your failure to deliver the goods within the delivery period as hereby extended, the contract shall be cancelled for the outstanding goods at your risk and cost.

- 3.
- 4.
- 5.
- 6.
-
-

Yours faithfully,

xx *Details of outstanding goods.*

(-----)
for

ANNEXURE - L
(Ref. Para 8.17 of Chapter 8)

**MODEL FORMAT FOR
CORRESPONDENCE WITH
SUPPLIER AFTER BREACH OF
CONTRACT**

Registered

Acknowledgement Due

To

M/s _____

Sub : Contract No..... dated
for supply of

Dear Sirs,

The date of delivery of the subject contract expired on _____ . As supplies against the same have not yet been completed, there is a breach of the contract on your part. As information is required regarding past supplies against this contract, you are requested to send the particulars regarding the quantity so far supplied and, also, the quantity so far inspected but not yet despatched and the quantity so far not tendered for inspection before the expiry of the date of delivery. The above information is required for the purpose of verification of our records and is not intended to keep the contract alive and does not waive the breach.

This is without prejudice to the rights and remedies available to the purchaser in terms of the contract and law applicable in this behalf.

Yours faithfully,

**EXTRACTS FROM GFR-2005 ON DISPOSAL
OF SURPLUS GOODS Rule 196. Disposal of Goods.**

(i) An item may be declared surplus or obsolete or unserviceable if the same is of no use to the Ministry or Department. The reasons for declaring the item surplus or obsolete or unserviceable should be recorded by the authority competent to purchase the item.

(ii) The competent authority may, at his discretion, constitute a committee at appropriate level to declare item(s) as surplus or obsolete or unserviceable.

(iii) The book value, guiding price and reserved price, which will be required while disposing of the surplus goods, should also be worked out. In case where it is not possible to work out the book value, the original purchase price of the goods in question may be utilized. A report of stores for disposal shall be prepared in Form GFR - 17.

(iv) In case an item becomes unserviceable due to negligence, fraud or mischief on the part of a Government servant, responsibility for the same should be fixed.

Rule 197. Modes of Disposal :

(i) Surplus or obsolete or unserviceable goods of assessed residual value above Rupees Two Lakh should be disposed of by:

- a) obtaining bids through advertised tender or
- b) public auction.

(ii) For surplus or obsolete or unserviceable goods with residual value less than Rupees Two Lakh, the mode of disposal will be determined by the competent authority, keeping in view the necessity to avoid accumulation of such goods and consequential blockage of space and, also, deterioration in value of goods to be disposed of.

(iii) Certain surplus or obsolete or unserviceable goods such as expired medicines, food grain, ammunition etc., which are hazardous or unfit for human consumption, should be disposed of or destroyed immediately by adopting suitable mode so as to avoid any health hazard and/or environmental pollution and also the possibility of misuse of such goods.

(iv) Surplus or obsolete or unserviceable goods, equipment and documents, which involve security concerns (e.g. currency, negotiable instruments, receipt

books, stamps, security press etc.) should be disposed of / destroyed in an appropriate manner to ensure compliance with rules relating to official secrets as well as financial prudence.

Rule 198. Disposal through Advertised Tender.

(i) The broad steps to be adopted for this purpose are as follows :

- a) Preparation of bidding documents.
- b) Invitation of tender for the surplus goods to be sold.
- c) Opening of bids.
- d) Analysis and evaluation of bids received.
- e) Selection of highest responsive bidder.
- f) Collection of sale value from the selected bidder.
- g) Issue of sale release order to the selected bidder.
- h) Release of the sold surplus goods to the selected bidder.
- i) Return of bid security to the unsuccessful bidders.

(ii) The important aspects to be kept in view while disposing the goods through advertised tender are as under :-

(a) The basic principle for sale of such goods through advertised tender is ensuring transparency, competition, fairness and elimination of discretion. Wide publicity should be ensured of the sale plan and the goods to be sold. All the required terms and conditions of sale are to be incorporated in the bidding document comprehensively in plain and simple language. Applicability of taxes, as relevant, should be clearly stated in the document.

(b) The bidding document should also indicate the location and present

condition of the goods to be sold so that the bidders can inspect the goods before bidding.

(c) The bidders should be asked to furnish bid security along with their

bids. The amount of bid security should ordinarily be ten per cent of the assessed or reserved price of the goods. The exact bid security amount should be indicated in the bidding document.

(d) The bid of the highest acceptable responsive bidder should normally be

accepted. However, if the price offered by that bidder is not acceptable, negotiation may be held **only** with that bidder.

- (e) In case the total quantity to be disposed of cannot be taken up by the highest acceptable bidder, the remaining quantity may be offered to the next higher bidder(s) at the price offered by the highest acceptable bidder.
- (f) Full payment, i.e. the residual amount after adjusting the bid security should be obtained from the successful bidder before releasing the goods.
- (g) In case the selected bidder does not show interest in lifting the goods, the bid security should be forfeited and other actions initiated including resale of the goods in question at the risk and cost of the defaulter, after obtaining legal advice.
- (iii) Late bids i.e. bids received after the specified date and time of receipt should not to be considered.

Rule 199. Disposal through Auction :

- (i) A Ministry or Department may undertake auction of goods to be disposed of either directly or through approved auctioneers.
- (ii) The basic principles to be followed here are similar to those applicable for disposal through advertised tender so as to ensure transparency, competition, fairness and elimination of discretion. The auction plan including details of the goods to be auctioned and their location, applicable terms and conditions of the sale etc. should be given wide publicity in the same manner as is done in case of advertised tender.
- (iii) While starting the auction process, the condition and location of the goods to be auctioned, applicable terms and conditions of sale etc., (as already indicated earlier while giving wide publicity for the same), should be announced again for the benefit of the assembled bidders.
- (iv) During the auction process, acceptance or rejection of a bid should be announced immediately on the stroke of the hammer. If a bid is accepted, earnest money (not less than twenty-five per cent. of the bid value) should immediately be taken on the spot from the successful bidder either in cash or in the form of Deposit-at-Call-Receipt (DACR), drawn in favour of the Ministry or Department selling the goods. The goods should be handed over to the successful bidder only after receiving

the balance payment.

(v) The composition of the auction team will be decided by the competent authority. The team should however include an officer of the Internal Finance Wing of the department.

Rule 200. Disposal at scrap value or by other modes: If a Ministry or Department is unable to sell any surplus or obsolete or unserviceable item in spite of its attempts through advertised tender or auction, it may dispose off the same at its scrap value with the approval of the competent authority in consultation with Finance division. In case the Ministry or Department is unable to sell the item even at its scrap value, it may adopt any other mode of disposal including destruction of the item in an eco-friendly manner.

Rule 201. A sale account should be prepared for goods disposed of in Form GFR 18 duly signed by the officer who supervised the sale or auction.

Rule 202.

(1) Powers to write off : All profits and losses due to revaluation, stock-taking or other causes shall be duly recorded and adjusted where necessary. Formal sanction of the competent authority shall be obtained in respect of losses, even though no formal correction or adjustment in government accounts is involved. Power to write off of losses are available under the Delegation of Financial Powers Rules, 1978.

(2) Losses due to depreciation : Losses due to depreciation shall be analyzed, and recorded under following heads, as applicable :-
(i) normal fluctuation of market prices;
(ii) normal wear and tear;
(iii) lack of foresight in regulating purchases; and
(iv) negligence after purchase.

(3) Losses not due to depreciation : Losses not due to depreciation shall be grouped under the following heads :-
(i) losses due to theft or fraud; (ii) losses due to neglect;
(iii) anticipated losses on account of obsolescence of stores or of purchases in excess of requirements;
(iv) losses due to damage, and
(v) losses due to extra ordinary situations under 'Force Majeure' conditions like fire, flood, enemy action, etc.;

----X----

ANNEXURE – N

(Ref. Para 6.19 of Chapter 6)

**MODEL FORMAT FOR HANDING OVER OPENED TENDERS
TO PURCHASE OFFICER**

**Regular Tenders which are to be opened on(date & time)..... against Tender
Enquiry no.**

Total no. of regular tenders taken out from the
tender box to be opened as mentioned above _____ (in figures)

..... (in words)

Signatures

(Name & Designation)

(Name & Designation)

Date

Date

Time

Time

Received total (in figures/words) regular tender as above.

Signatures

(Name & Designation)

(Name & Designation)

Date

Date

Time

Time

Delegation of Powers

Appendix-I

Sl. No.	Type/ Nature of Purchase	Financial ceiling	Approving authority	Sanctioning authority	Remarks/ Mode of purchase
1.	a) Direct purchase by indentor/ HOD without calling for quotations for items. <u>(Ref: Para 6.3)</u>	Up to Rs.15,000/-	HOD, Chief of Centres/ MS	MS/HOD, Chief of Centres	Directly on cash/ Cheque basis
	b) <u>(Ref: Para 6.3)</u>	Up to Rs.15,000/-	Sr. Most Stores Officer Concerned	Sr. Most Stores Officer Concerned	
2.	Purchase through Local Purchase Committee <u>(Ref: Para 6.4)</u>	Rs.15,001/- to 1 lakh	MS/HOD, Chief of Centres/ MS	MS/HOD/ MS/ Chief of Centres/ /PI	To be made through LPC on cash/ Cheque basis
		Rs.15,001/- to 1 lakh	Sr. Most Stores Officer Concerned		
3.	<u>Emergency Purchase</u> <u>(Ref: Para 6.27.0)</u> <u>Note:-</u> However, Local Purchase of Medicines/ Surgical items in the Hospital/ Centres can be made through the approved Local Purchase Chemists as per the agreement as the requirement for Hospital/EHS/ VVIP care irrespective of monetary limit for the items required in Limited Quantity to meet the urgency with no bar of R/C.	Above Rs.1 Lakh to Rs.25 lakh	MS/HOD, Chief of Centres/ MS	MS/HOD, Chief of Centres/ MS	Purchase to be made by a duly constituted committee.

4.	Open Tenders : (ATI)				
a)	Purchase through T&PC (Ref: Para 6.7)	Upto Rs. 25 lakh	HOD / MS / Chief of Centre / DDA	MS/HOD / Chief of Centre / DDA	
b)	Single Tender Purchase (Ref: Para 11.8.8)	a) Above Rs. 25 lakh			
			Chief of Centre / MS / DDA / Director upon recommendation of SPC	Chief of Centre / MS / DDA / Director upon recommendation of SPC	Open Tender
5.	Proprietary Purchase (STE) (Ref: Para 6.25)	a) up to Rs.25 lakh	HOD / Chief of Centres/ MS	HOD, Chief of Centres/ MS	From proprietary source
		b) Above Rs. 25			
			Chief / MS / DDA / Director upon the recommendation of SPC	Chief / MS / DDA / Director upon the recommendation of SPC	From Proprietary source
6.	Purchase Limited Tender Enquiry LTE (Ref: Para 6.13)	Upto Rs.5 Lakhs	Head of the Departments /O/I of Deptt./Section	HODs/O/Ic of Deptt. /Section	Through Departmental Store Purchase Committee
		Up to Rs.25 lakh	MS /HOD / Chief of Centre	HOD / MS / Chief of Centre	Limited Tender
7.	Powers to extend DODs (Ref: Para 8.14)	A) Upto Rs.25 Lakh	Sr. Most of Stores Officer / HOD	Sr. Most Stores Officer/HOD	DOD
		B) Above Rs.25 Lakh	MS / Chief of Centres / DDA	MS / Chief of Centres / DDA	DOD
8.	Purchase of Vehicles (Ref: Para 17.7)	Full powers (as per norms framed by State Govt. concerned)	MS / Chief of Centres / DDA Sr. Stores Officer (DO)	MS / Chief of Centres / DDA Sr. Stores Officer (DO)	

9.	Power to decide beyond the scope of the Manual (Ref: Para 17.8)	Full Powers	Director	Director	As per the advice/ recommendations of the main SPC
10.	<u>Permanent Imprest</u> (Ref: Para 6.28.0)	Upto Rs.20,000/-	ASO	DDA/MS/ Chiefs of Centres/HOD	
		Upto Rs.40,000/-	SO/Sr. SO		
11.	<u>Advance Payment:</u> For Imports : (Ref: Para 9.9.(a))		DDA/MS/ Chiefs of Centres	DDA/MS/ Chiefs of Centres	
	<u>For Indigenous</u> (Ref : Para 9.9.(b))	As per Manual Clause No.9.9(b)	DDA/MS/ Chiefs of Centres	DDA/MS/ Chiefs of Centres	

BRIEF DESCRIPTION OF DUTIES & RESPONSIBILITIES
RELATED TO VARIOUS OFFICIALS INVOLVED IN STORES
& PURCHASE ACTIVITIES

DUTIES OF THE STORE-KEEPER

The following are the main responsibilities of Store Keeper of the Institution:

- *The items on stores should be placed in such a way that these can be easily located to ensure the availability of products.*
- *To maintain the stores premises neat and clean. Adequate storage and preservation should be provided.*
- *Efficient and effective inventory control.*
- *To ensure that materials are issued against authorized requisitions only.*
- *To keep up-to-date record of materials issued, received and balances in stock.*
- *To ensure implementation of various levels like Minimum Level, Re-order Level, Maximum Level, Buffer Stock, etc., as fixed by the Officer-in-charge (Stores).*
- *Store keeper is the custodian of stores and is responsible for its safety and security.*
- *To ensure implementation of automation of Stores activities like Inventory Control (Receipts and Issues of stores) as per the directions of Officer-in-Charge (Stores).*
- *He is accountable for any variation in the quantities of stocks under his charge.*

DUTIES OF JR. STORES OFFICERS :

- **Timely Processing of Indents/Purchase Requisitions received with regard to all types of stores such as Drugs/Surgical/General/Linen Stores/Furniture's/ Machinery & Equipments/Imported Stores, etc.**
- **To examine the specifications and to make them broad based wherever necessary.**
- **To decide the method of procurement of each item after receiving such indents.**
- **Invitation of Global/Open/Limited tenders and providing assistance in conclusion of running Rate Contracts for a specified period, according to the nature of items/rate fluctuations.**
- **To maintain continuity of uninterrupted service.**
- **To buy the best material at the most competitive price.**

- To maintain complete transparency.
- To improve the quality of service.
- To eliminate extra material cost.
- To contribute towards standardization, variety reduction.
- To increase savings/profit of the Institution.
- To maintain good relationship & understanding with the inter departments, not sacrificing the scope, objective & importance of the purchase department.
- To maintain good rapport with the suppliers in the interest of the institute.
- To maintain good & cordial relationship with Statutory/taxation authorities.
- To avoid any dispute, legal action.
- To feed back information & data on the performance of the institution.
- To meet the demands of the consuming departments by proper issues & account for the consumption.
- To ensure good housekeeping so that material handling, material preservation, stocking, receipt & issue can be done adequately.
- To assist the verification & provide supporting information for effective purchase action.
- Also necessary steps to be taken to ensure that :-
 - The items are placed in such a way that these can be easily located.
 - The stores premises are maintained neat and clean.
 - Efficient & effective service to the institution.
 - Materials are issued against authorized requisition only.
 - To keep up-to-date records.
 - Planning & execution of stock checking activities.
 - To maintain efficient & effective material handling system.
 - To ensure smooth functioning of the institute through timely support.

Duties related to Asst. Stores Officers

- Supervision and Monitoring the activities of Stores Cell.
- Assisting the Store Officer in matters relating to examination and scrutiny of Referred Cases.
- Organization & Methods involving improvement in control mechanisms to bring more common items of use/consumption under centralized rate contract system.
- Control of incoming and outgoing DAK and periodical review of registers meant for recording of in-flow and out-flow of correspondence.
- Interaction with other departments and outside agencies like bank, customs, etc.
- Issue circulars from time to time to ensure smooth functioning.
- Purchase orders to be placed after ensuring the following :
 - Proper procedure is followed in accordance with Purchase Rules and G.F.R.

- Obtaining approval and sanction from the competent authority.
- Safety measures in effecting the supplies.
- Timely follow-up action with regard to orders, L/Cs B/Gs, etc.
- Assisting the Stores Officer in various occasions as and when situation warrants.

Duties related to Stores Officers

- Matters relating to examination and scrutiny of Referred Cases.
- Formulating terms & conditions for the Tenders(Open/Global) and contracts for various nature of stores like machinery & equipments, computers, general stores, etc. In accordance with GFR, DGS&D procedures.
- Taking effective steps to standardize the specifications of stationery items in accordance with ISI standards; variety reduction in stationery items being used in the institute.
- Issuing guidelines for condemnation of various stores in accordance with G.F.R.
- Issuing guidelines for the inspection of various stores as applicable to govt. Departments.
- Providing prompt & appropriate information to C.B.I. queries.
- Providing prompt & timely reply to various parliamentary questions (starred & unstarred questions).
- Providing timely & apt information to vigilance cell as and when required by them.
- Properly coordinating with audit parties and provided required information / timely reply to the queries.
- Periodically checking the outstanding balances and to bring down the outstanding balances considerably.
- Taking timely action with the Dept. of Scientific & Industrial Research (DSIR) to obtain Customs Duty Exemption Certificate (CDEC) and Excise Duty Exemption Certificate (EDEC) as applicable to Public Funded Research Institutions.

RESPONSIBILITIES OF Sr. STORES OFFICER :

- *Same as above*
- *Framing Policies & formulating guidelines on the effective Stores Management.*

- *Projection of budgetary requirements.*

RESPONSIBILITIES OF OFFICER IN-CHARGE OF RESPECTIVE STORES:

- *Planning and execution of stock checking activities.*
- *Communicate the purchase department about requirements.*
- *Maintain efficient and effective material handling system.*
- *Guiding in Codification of material, standardization and its variety reduction.*
- *Fixing of various levels like Minimum Level, Re-order Level, Maximum Level, Buffer Stock, etc., on the basis of average consumption of last three years.*
- *Minimize obsolescence, surplus, scrap through proper codification, preservation and handling.*
- *Automation of Stores activities like Inventory Control (Receipts and Issues of stores).*
- *Co-ordination with other departments for various stores function activities including demand forecasting.*

RESPONSIBILITIES OF VARIOUS COMMITTEES:-

Stores Purchase Committee (SPC):-

This is an high power committee which is responsible for and will look into all the procedural aspects of procurement activities and will be advisory in nature to the competent authority in framing policies and guidelines of purchases and procurement activities in the institute in accordance with the directives and guidelines issued by the Govt. and other agencies such as CVC, etc. from time to time on various procurement issues. This committee will also be responsible for price justification and justification for recommending for negotiation with the selected vendors, wherever required on the merit of the case. The duration of this committee shall be ordinarily for three years.

Technical Specification Evaluation Committee (TSEC):-

This committee is responsible for framing the tender specifications and terms and conditions, etc and also will be responsible for evaluation of the bids received against the tender on part of the technical parameters on the basis of the bid documents as well as the financial implications on the basis of the prevailing market rate and other factors as detailed in clause 11.9.2. The duration of this committee shall be ordinarily for three years.

Drugs Selection Committee :-

This committee is responsible for to procure quality medicine at AIIMS the purchases are made from the reputed manufacturing firms. This committee is responsible for the shortlisting of medicines to be purchased at AIIMS and the names of the manufacturers of individual medicine with full justification after getting recommendations from the user HODs of the concerned discipline. The duration of this committee shall be ordinarily for three years.

TECHNICAL SPECIFICATION & EVALUATION COMMITTEE (TSEC)

The following is the composition of the Technical Specification & Evaluation Committee for any equipment to be purchased above certain amount as under:

1. More than Rs.25 Lakhs upto Rs.50 Lakhs:

- a) Head of the Department
- b) One representative of the Department (One faculty member)
- c) Concerned faculty member
- d) One faculty representative of related discipline to be nominated by Head of the Department of that discipline
- e) MS or representative.

2. More than Rs.50 Lakhs upto Rs.1 Crore :

- a) Head of the Department
- b) Medical Superintendent
- c) Head of the Department of the related discipline
- d) Representative of the Chief of Centres (if related)
- e) Representative of Stores Purchase Committee
- f) Concerned faculty member
- g) Stores Officer
- h) Financial Advisor

3. More than Rs.50 Lakhs upto Rs.1 Crore :

- a) Head of the Department
- b) Medical Superintendent
- c) Head of the Department of the related discipline
- d) An external expert to be nominated by the Directed (related to discipline)
- e) Representative of Stores Purchase Committee
- f) Concerned faculty member
- g) Nominee of DGHS
- h) Store Officer
- i) Financial Advisor

This committee shall frame the specifications & allied technical details, evaluate the technical bids received, shortlist the vendors technically and give final recommendations after opening of the financial bids of the technically shortlisted firms and make comparative statements which shall be signed by the Accounts Officer concerned and sent to the concerned Stores Officer.

Note : Specification Committee for the equipments costing below Rs.25 Lakhs will be constituted by the Competent Authority on case to case basis, where atleast 3 faculties of same discipline, Stores and Finance will be members.

BIDDING DOCUMENTS

The enclosed tender document could be used by the Stores of Main Hospital / Centres in AIIMS as a model document. In case of discrepancy, if any, between the tender documents and AIIMS Purchase Manual, the latter shall prevail. The contents of the model tender document may be altered suitably by the concerned Stores Officers to suit their specific needs with the consent of the competent authority. This model tender document will ensure transparency and remove all ambiguities. It is expected that if this document is used by Stores Officers of Centres/Hospital, it may prove beneficial. The concerned Stores Officers are free to modify document depending upon the need and requirement within the spirit and frame work of this document and for any major change in the document at Stores level, Manual Committee/Competent Authority can be consulted.

**ALL INDIA INSTITUTE OF MEDICAL SCIENCES,
ANSARI NAGAR, NEW DELHI-110 029, INDIA**

S.NO. OF TENDER : _____

FILE NO. : _____

**Name of the party in whose
favour the Tender form has
been issued:** _____

(SEAL OF THE OFFICER)



**TENDER ENQUIRY DOCUMENTS FOR
PURCHASE OF _____ AT AIIMS.**

INDEX

Section	Topic	Page No.
Section I	– Notice Inviting Tender (NIT) -----	03
Section II	– General Instructions to Tenderer (GIT) -----	07
Section III	– Special Instructions to Tenderer (SIT) -----	25
Section IV	– General Conditions of Contract (GCC) -----	27
Section V	– Special Conditions of Contract (SCC) -----	42
Section VI	– Schedule of Requirements -----	43
Section VII	– Important Terms and conditions -----	45
Section VIII	– Quality Control Requirements -----	47
Section IX	– Qualification Criteria -----	48
Section X	– Tender Form -----	50
Section XI	– A-Price Schedules for domestic equipment-----	51
	-- B-Price Schedules for imported equipment-----	52
	-- C-Price Schedule for CMC -----	53
	-- D-Price Schedule for turnkey-----	54
Section XII	– Questionnaire -----	55
Section XIII	– Bank Guarantee Form for EMD -----	56
Section XIV	– Manufacturer’s Authorisation Form -----	57
Section XV	– Bank Guarantee Form for Performance Security /CMC Security -----	58
Section XVI	– Check List for the Bidders -----	59
Section XVII	– Technical specifications -----	62



ALL INDIA INSTITUTE OF MEDICAL SCIENCES

ANSARI NAGAR, NEW DELHI-110 029

NOTICE INVITING TENDERS (NIT)

(1) F. NO. _____

Dated: _____

On behalf of Director, AIIMS, Ansari Nagar, New Delhi-110 029, Sr.Stores Officer/Stores Officer invites sealed tenders in two bid system (Technical bid and financial bid) from reputed, eligible and qualified firms/manufacturer for supply of following Goods:

S. No.	Tender Enquiry Number	Brief Description of Goods (Item name)	Qty.	Tender fee (in Rs. or for an equivalent amount in foreign currency)	Amount of Bid Security (in Rs. or for an equivalent amount in foreign currency)
1.	_____	Purchase of _____	_____	_____	Rs. _____/-
Last date for sale of TE documents		_____ up to 12.30 p.m.			
Date of pre-bid conference/meeting with prospective bidders. (Venue for meeting: _____ AIIMS, New Delhi-110 029).		Tender No. _____ Venue for meeting: _____ AIIMS, New Delhi-110 029.			
Closing date & Time for Receipt of Bids:		On or before _____ up to 12.30 p.m.			
Date, Time and place for opening of technical bids:		_____, AIIMS, New Delhi-110 029.			

(2) Tender Enquiry documents containing detailed specifications along with terms and conditions can be had from the office of Stores Officer (DO) from 14.30 hrs. to 16.30 hrs on all working days (Monday to Friday) and 11.00 hrs to 12.30 hrs on Saturday, till a day prior to the closing date of receipt of bid indicated above.

(3) Tender Enquiry Documents may be purchased on payment of non-refundable fee (as mentioned above in Indian currency or for an equivalent amount in foreign currency) by way of Demand Draft drawn favour of '_____, AIIMS, drawn payable at New Delhi. (Postal Orders/Cash are not acceptable).

(4) If requested, the Tender Enquiry Documents will be mailed by Registered Post/Speed Post to the domestic bidders and by international airmail to the foreign bidders, for which extra charges per set will be Rs.100/- for domestic post and Rs. 500/- or an equivalent amount in foreign currency for international airmail. The bidder is to add the applicable postage cost in the non-refundable fee mentioned in Para 3 above.

(5) The bidders may also download the tender documents directly from the website available at www.aiims.ac.in, www.aiims.edu. and www.tenders.gov.in. in such case, the bidders are required to submit the tender cost fee of Rs.(as mentioned in NIT) (Non-refundable) by way of separate demand draft drawn in favour of '_____', AIIMS payable at New Delhi for each tender separately and the same should essentially be enclosed along with the techno commercial bid. The bidders should specifically superscribe, "downloaded from the website" on the top left corner of the outer envelope containing techno commercial bid & price bid separately. In no case, the

tender cost fee should be mixed with EMD amount. The tenders not following the above procedure will be summarily rejected.

(6) It is the responsibility of the Bidders to ensure that their Bids, whether sent by post or by courier or by person, are dropped in the **Tender Box of _____ AIIMS, Ansari Nagar, New Delhi-110 029**” or received by the closing date and time stipulated above in the Para 2 for receipt of Bid, failing which the bid would be considered late and rejected. The bids dropped in the other section/departments/Centres of AIIMS, will not be considered for submission and such bids will be summarily rejected.

(7) The bid security as mentioned above will have to be deposited through Bank Guarantee./Demand Draft drawn in favour of the “ _____ **AIIMS**” **New Delhi** along with the tender (Technical Bid). No interest is payable on Bid Security.

(8) The Tender Enquiry document is not transferable.

(9) In the event of any of the above mentioned dates being declared as a holiday / closed day for AIIMS, the tenders will be sold/received/opened on the next working day at the prescribed venue and time.

Please visit our website at **www.aiims.edu, www.aiims.ac.in, & www.tenders.gov.in.** for further details of this tender.

(SR. STORES OFFICER)

SECTION - II
GENERAL INSTRUCTIONS FOR TENDERERS (GIT)
CONTENTS

Sl. No.	Topic	Page No.
A	PREAMBLE	
1	Definitions and Abbreviations	7
2	Introduction	8
3	Availability of Funds	9
4	Language of Tender	9
5	Eligible Bidders	9
6	Eligible Goods and Services	9
7	Tendering Expense	9
B	GLOBAL TENDER ENQUIRY DOCUMENTS	
8	Contents of Tender Enquiry Documents	9
9	Amendments to Tender Enquiry Documents	10
10	Clarification of Tender Enquiry Documents	10
C	PREPARATION OF TENDERS	
11	Documents Comprising the Tender	10
12	Tender Currencies	11
13	Tender Prices	11
14	Indian Agent	14
15	Firm Price / Variable Price	15
16	Alternative Tenders	15
17	Documents Establishing Bidder's Eligibility and Qualifications	15
18	Documents Establishing Good's Conformity to Tender Enquiry Document	16
19	Earnest Money Deposit (EMD)	16
20	Tender Validity	17
21	Signing and Sealing of Tender	17
D	SUBMISSION OF TENDERS	
22	Submission of Tenders	18
23	Late bid	18
24	Alteration and Withdrawal of Tender	18

E	TENDER OPENING	
25	Opening of Tenders	18
F	SCRUTINY AND EVALUATION OF TENDERS	
26	Basic Principle	19
27	Preliminary Scrutiny of Tenders	19
28	Minor Infirmary/Irregularity/Non-Conformity	20
29	Discrepancy in Prices	20
30	Discrepancy between original and copies of Tender	20
31	Qualification Criteria	21
32	Conversion of Tender Currencies (foreign) to Indian Rupees	21
33	Schedule-wise Evaluation	21
34	Comparison of Tenders	21
35	Additional Factors and Parameters for Evaluation and Ranking of Responsive Tenders	21
36	Bidder's capability to perform the contract	21
37	Contacting the Purchaser	22
G	AWARD OF CONTRACT	
38	Director/Purchaser's has right to accept any tender and to reject any or all tenders at any time	22
39	Award Criteria	22
40	Variation of Quantities at the Time of Award	22
41	Notification of Award	22
42	Issue of Contract form	22
43	Non-receipt of Performance Security and Contract by the Purchaser/Consignee	23
44	Return of EMD	23
45	Publication of Tender Result	23
46	Corrupt or Fraudulent Practices	23

SECTION – II
GENERAL INSTRUCTIONS TO TENDERERS (GIT)

A. PREAMBLE

1. Definitions and Abbreviations

1.1 The following definitions and abbreviations, which have been used in these documents shall have the meanings as indicated below:

1.2. Definitions:

- (i) “Purchaser” means the organization purchasing goods and services as incorporated in the Tender Enquiry document.
- (ii) “Tender” means Bids / Quotation / Tender received from a Firm / Bidder / Manufacturer.
- (iii) “Bidder” means Bidder/ the Individual or Firm submitting Bids / Quotation / Tender.
- (iii) “Supplier” means the individual or the firm supplying the goods and services as incorporated in the contract.
- (iv) “Goods” means the articles, material, commodities, livestock, furniture, fixtures, raw material, spares, instruments, machinery, equipment, medical equipment, industrial plant etc. which the supplier is required to supply to the purchaser under the contract.
- (v) “Services” means services allied and incidental to the supply of goods, such as transportation, installation, commissioning, provision of technical assistance, training, after sales service, maintenance service and other such obligations of the supplier covered under the contract.
- (vi) “Earnest Money Deposit” (EMD) means Bid Security/ monetary or financial guarantee to be furnished by a bidder along with its tender.
- (vii) “Contract” means the written agreement entered into between the purchaser and/or consignee and the supplier, together with all the documents mentioned therein and including all attachments, annexure etc. therein.
- (viii) “Performance Security” means monetary or financial guarantee to be furnished by the successful bidder for due performance of the contract placed on it.
- (ix) “Consignee” means the user department of Institute to whom the goods are required to be delivered as specified in the Contract. If the goods are required to be delivered to a person as an interim consignee for the purpose of despatch to another person as provided in the Contract then that “another” person is the consignee, also known as ultimate consignee.
- (x) “Specification” means the document/standard that prescribes the requirement with which goods or service has to conform.
- (xi) “Inspection” means activities such as measuring, examining, testing, gauging one or more characteristics of the product or service and comparing the same with the specified requirement to determine conformity.
- (xii) “Day” means calendar day.

1.3 Abbreviations:

- (i) "T E Document" means Tender Enquiry Document
- (ii) "GNIT" means Global Notice Inviting Tenders.
- (iii) "GIT" means General Instructions for Tenderer
- (iv) "SIT" means Special Instructions for Tenderer
- (v) "GCC" means General Conditions of Contract
- (vi) "SCC" means Special Conditions of Contract
- (vii) "DGS&D" means Directorate General of Supplies and Disposals
- (viii) "PSU" means Public Sector Undertaking
- (ix) "CPSU" means Central Public Sector Undertaking
- (x) "LC" means Letter of Credit
- (xi) "DP" means Delivery Period
- (xii) "BG" means Bank Guarantee
- (xiii) "ED" means Excise Duty
- (xiv) "CD" means Custom Duty
- (xv) "VAT" means Value Added Tax
- (xvi) "CENVAT" means Central Value Added Tax
- (xvii) "CST" means Central Sales Tax
- (xviii) "RR" means Railway Receipt
- (xix) "BL" means Bill of Lading
- (xx) "FOB" means Free on Board
- (xxi) "FCA" means Free Carrier
- (xxii) "FOR" means Free On Rail
- (xxiii) "CIF" means Cost, Insurance and Freight
- (xxiv) "CIP (Destinations)" means Carriage and Insurance Paid up to named port of destination.
- (xxv) "DDP" means Delivery Duty Paid named place of destination (consignee site)
- (xxvi) "INCOTERMS" means International Commercial Terms as on the date of Tender opening.
- (xxvii) "AIIMS" means All India Institute of Medical Sciences, Ansari Nagar, New Delhi-29.
- (xxviii) "CMC" means Comprehensive Maintenance Contract (Including all spares, labour and preventive maintenance).
- (xxix) "RT" means Re-Tender.

2. Introduction

- 2.1 The Purchaser has issued these TE documents for purchase of goods and related services as mentioned in Section – VI – "Schedule of Requirements", which also indicates, *interalia*, the required delivery schedule, terms and place of delivery.
- 2.2 This section (Section II - "General Instruction for Tenderers") provides the relevant information as well as instructions to assist the prospective bidders in preparation and submission of tenders. It also includes the mode and procedure to be adopted by the purchaser for receipt and opening as well as scrutiny and evaluation of tenders and subsequent placement of contract.
- 2.3 The bidders shall also read the Special Instructions to Tenderers (SIT) related to this purchase, as contained in Section III of these documents and follow the same accordingly. Whenever there is a conflict between the GIT and the SIT, the provisions contained in the SIT shall prevail over those in the GIT.

- 2.4 Before formulating and submitting the tender to the purchaser, the bidder should read and examine all the terms, conditions, instructions, checklist etc. contained in the TE documents. Failure to provide and/or comply with the required information, instructions etc. incorporated in these TE documents may result in rejection of its tender.
- 3. Availability of Funds**
- 3.1 Expenditure to be incurred for the proposed purchase will be met from the funds available with the purchaser/consignee.
- 4. Language of Tender**
- 4.1 The tender submitted by the bidder and all subsequent correspondence and documents relating to the tender exchanged between the bidder and the purchaser, shall be written in the English language, unless otherwise specified in the Tender Enquiry. However, the language of any printed literature furnished by the bidder in connection with its tender may be written in any other language provided the same is accompanied by an English version and, for purposes of interpretation of the tender, the English translation shall prevail.
- 4.2 The tender submitted by the bidder and all subsequent correspondence and documents relating to the tender exchanged between the bidder and the purchaser, may also be written in the Hindi language, provided that the same are accompanied by English version, in which case, for purpose of interpretation of the tender etc, the English version shall prevail.
- 5. Eligible Bidders**
- 5.1 This Notice Inviting Tender is open to all suppliers who fulfil the eligibility criteria specified in these documents.
- 6. Eligible Goods and Services**
- 6.1 All goods and related services to be supplied/provided under the contract shall have their origin in India or any other country with which India has not banned trade relations. The term “origin” used in this clause means the place where the goods are mined, grown, produced, or manufactured or from where the related services are arranged and provided.
- 7. Tendering Expense**
- 7.1 The bidder shall bear all cost and expenditure incurred and/or to be incurred by in connection with tender including preparation, mailing and submission of tender and for subsequent processing. The purchaser will, in no case be responsible or liable for any such cost, expenditure etc regardless of the conduct or outcome of the tendering process.
- B. TENDER ENQUIRY DOCUMENTS**
- 8. Content of Tender Enquiry Documents**
- 8.1 In addition to Section I – “Global Notice Inviting Tender” (GNIT), the TE documents include:
- Section II – General Instructions for Tenderer (GIT)
 - Section III – Special Instructions for Tenderer (SIT)
 - Section IV – General Conditions of Contract (GCC)
 - Section V – Special Conditions of Contract (SCC)
 - Section VI – Schedule of Requirements
 - Section VII – Important Terms and Conditions
 - Section VIII – Quality Control Requirements
 - Section IX – Qualification Criteria
 - Section X – Tender Form
 - Section XI – A-Price Schedules for domestic equipments

- B-Price Schedules for imported equipments
 - C-Price Schedules for CMC
 - D-Price Schedules for turnkey works
 - Section XII – Questionnaire
 - Section XIII – Bank Guarantee Form for EMD
 - Section XIV – Manufacturer’s Authorisation Form
 - Section XV – Bank Guarantee Form for Performance Security/CMC Security
 - Section XVI – Check List for the Bidders
 - Section XVII – Technical Specifications
- 8.2 The relevant details of the required goods and services, the terms, conditions and procedure for tendering, tender evaluation, placement of contract, the applicable contract terms and, also, the standard formats to be used for this purpose are incorporated in the above-mentioned documents. The interested bidders should examine carefully all such details etc to proceed further.
- 9. Amendments to TE documents**
- 9.1 At any time prior to the deadline for submission of tenders, the purchaser may, for any reason deemed fit by him, modify the TE documents by issuing suitable amendment(s) to TE documents. The amendments will be published on institute website www.aiims.edu **and linked with www.tenders.gov.in.**
- 9.2 Such an amendment will be notified in writing by registered/speed post or by fax/telex/e-mail, followed by copy of the same by registered post to all prospective bidders, which have received/purchased the TE documents from office of the Stores Officer (DO).
- 9.3 In order to provide reasonable time to the prospective bidders to take necessary action in preparing their tenders as per the amendment, the purchaser may, at its discretion extend the deadline for the submission of tenders and other allied time frames, which are linked with that deadline.
- 10. Clarification of TE documents**
- 10.1 A bidder requiring any clarification or elucidation on any issue of the TE documents may take up the same with the purchaser in writing. The purchaser will respond in writing to such request provided the same is received by the purchaser not later than fifteen days (unless otherwise specified in the SIT) prior to the prescribed date of submission of tender.

C. PREPARATION OF TENDERS

11. Documents Comprising the Tender

11.1 The **Two Bid System**, i.e. “Techno – Commercial Bid” and “Price Bid (Financial bid)” prepared by the bidder shall comprise the following:

A) Techno – Commercial Bid (Un priced Tender)

- i) Earnest money furnished in accordance with GIT clause 19.1.
- ii) Tender Form as per Section X (without indicating any prices).
- iii) Documentary evidence, as necessary in terms of clauses 5 and 17 establishing that the bidder is eligible to submit the tender and, also, qualified to perform the contract if its tender is accepted.
- iv) Bidder/Agent who quotes for goods manufactured by other manufacturer shall furnish valid Manufacturer’s Authorisation Form.

- v) Power of Attorney in favour of signatory of TE documents and signatory of Manufacturer's Authorisation Form.
- vi) Documents and relevant details to establish in accordance with GIT clause 18 that the goods and the allied services to be supplied by the bidder conform to the requirement of the TE documents.
- vii) Performance Statement with relevant copies of orders and end users' satisfaction certificate.
- viii) Price Schedule(s) as per Section XI (A,B,C,D) filled up with all the details including Make, Model Quantity etc. of the goods offered with prices blank (**without indicating any prices**). **The bid of the firm who declare the prices of equipment in the technical bid shall be summarily rejected.**
- ix) Certificate of Incorporation in the country of origin.
- x) Checklist as per Section XVI.

B) Price Bid (Financial Bid):

The information given at clause No. 11.1 A) ii) & viii) above should be reproduced with the prices indicated.

N.B.

1. All pages of the Tender should be page numbered and indexed.
 2. It is the responsibility of bidder to go through the TE document to ensure furnishing all required documents in addition to above, if any.
- 11.2 The authorized signatory of the bidder must sign the tender duly stamped at appropriate places and initial all the remaining pages of the tender.
- 11.3 A tender, who does not fulfil any of the above requirements and/or gives evasive information/reply against any such requirement, shall be liable to be ignored and rejected.
- 11.4 Tender sent by fax/telex/cable/electronically shall be ignored and not accepted at all.

12. Tender currencies

- 12.1 The bidder supplying indigenous goods or already imported goods shall quote only in Indian Rupees.
- 12.2 For imported goods if supplied directly from abroad, prices shall be quoted in any freely convertible currency say US Dollar, Canadian Dollor, Singapore Dollor, Euro, GBP, CHF or Yen etc. As regards price(s) for allied services, if any required with the goods, the same shall be quoted in Indian Rupees only if such services are to be performed /undertaken in India. Commission for Indian Agent, if any and if payable shall be indicated in the space provided for in the price schedule and will be payable in Indian Rupees only.
- 12.3 Tenders, where prices are quoted in any other way shall be treated as non -responsive and rejected.

13 Tender Prices

- 13.1 The Bidder shall indicate on the Price Schedule provided under Section XI all the specified components of prices shown therein including the unit prices and total tender prices of the goods and services it proposes to supply against the requirement. All the columns shown in the price schedule should be filled up as required. If any column does not apply to a bidder, same should be clarified as "NA" by the bidder.

- 13.2 If there is more than one item in the Schedule of Requirements, the bidder has the option to submit its quotation for any one or more schedules. However, while quoting for a schedule, the bidder shall quote for the complete requirement of goods and services as specified in that particular schedule.
- 13.3 The quoted prices for goods offered from within India and that for goods offered from abroad are to be indicated separately in the applicable Price Schedules attached under Section XI.
- 13.4 While filling up the columns of the Price Schedule, the following aspects should be noted for compliance:
- 13.4.1 **For domestic goods or goods of foreign origin located within India**, the prices in the corresponding price schedule shall be entered separately in the following manner:
- a) the price of the goods, quoted ex-factory/ ex-showroom/ ex-warehouse/ off-the-shelf, as applicable, including all taxes and duties like sales tax, CST, VAT, CENVAT, Custom Duty, Excise Duty etc. already paid or payable on the components and raw material used in the manufacture or assembly of the goods quoted ex-factory etc. or on the previously imported goods of foreign origin quoted ex-showroom etc.
 - b) any sales or other taxes and any duties including excise duty, which will be payable on the goods in India if the contract is awarded.
 - c) charges towards Packing & Forwarding, Inland Transportation, Insurance (local transportation and storage) would be borne by the Supplier from ware house to the consignee warehouse, Loading/Unloading and other local costs incidental to delivery of the goods to their final destination as specified in the Schedule of Requirements and Price Schedule.
 - d) the price of Incidental Services, as mentioned in schedule of Requirements and Price Schedule;
 - e) the prices of Turnkey (if any), as mentioned in Schedule of Requirements, Technical Specification and Price Schedule; and
 - f) the price of annual CMC, as mentioned in Schedule of Requirements, Technical Specification and Price Schedule.
 - g) Payment of INR shall be made through Electronic Clearing System only and the charges shall be deducted from the bill.
- 13.4.2 **For goods offered from abroad**, the prices in the corresponding price schedule shall be entered separately in the following manner:
- a) the price of goods quoted FOB/FCA port of shipment, as indicated in the Schedule of Requirements and Price Schedule;
 - b) the price of goods quoted CIP (name port of destination) in India as indicated in the Schedule of Requirements.
 - c) the charges for Insurance (local transportation and storage) would be extended and borne by the Supplier from ware house to the consignee warehouse. Other local costs and Incidental costs, as specified in the Schedule of Requirements and Price Schedule;
 - d) the charges for Incidental Services, as in the Schedule of Requirements and Price Schedule;

- e) the prices of Turnkey (if any), as mentioned in Schedule of Requirements, Technical Specification and Price Schedule; and
- h) the price of annual CMC, as mentioned in Schedule of Requirements, Technical Specification and Price Schedule.

13.4.3 Supply of equipment means-Installation and Commissioning at site. No separate charges will be paid separately on this account.

13.5 Additional information and instruction on Duties and Taxes:

13.5.1 If the Bidder desires to ask for excise duty, sales tax/ VAT, Service Tax, Works Contract Tax etc. to be paid extra, the same must be specifically stated. In the absence of any such stipulation the price will be taken inclusive of such duties and taxes and no claim for the same will be entertained later.

13.5.2 Excise Duty:

- a) If reimbursement of excise duty is intended as extra over the quoted prices, the supplier must specifically say so also indicating the rate, quantum and nature of the duty applicable. In the absence of any such stipulation it will be presumed that the prices quoted are firm and final and no claim on account of excise duty will be entertained after the opening of tenders.
- b) If a Bidder chooses to quote a price inclusive of excise duty and also desires to be reimbursed for variation, if any, in the excise duty during the time of supply, the bidder must clearly mention the same and also indicate the rate and quantum of excise duty included in its price. Failure to indicate all such details in clear terms may result in rejection of that tender.
- c) Subject to sub clauses 13.5.2 (a) & (b) above, any change in excise duty upward/downward as a result of any statutory variation in excise duty taking place within contract terms shall be allowed to the extent of actual quantum of excise duty paid by the supplier. In case of downward revision in excise duty, the actual quantum of reduction of excise duty shall be reimbursed to the purchaser by the supplier. All such adjustments shall include all reliefs, exemptions, rebates, concession etc. if any obtained by the supplier.

13.5.3 Sales Tax/VAT:

If a bidder asks for sales tax/ VAT, Service Tax and Works Contract Tax to be paid extra, the rate and nature of sales tax applicable should be shown separately. The sales tax / VAT, Service Tax and Works Contract Tax will be paid as per the rate at which it is liable to be assessed or has actually been assessed provided the transaction of sale is legally liable to Sales Tax / VAT, Service Tax and Works Contract Tax and is payable as per the terms of the contract. If any refund of Tax is received at a later date, the Supplier must return the amount forth-with to the purchaser. The bidder should provide copy of VAT registration certificate.
THE INSTITUTE IS NOT AUTHORIZED TO ISSUE 'C/D FORMS'.

13.5.4 Octroi Duty and Local Duties & Taxes:

Normally, goods to be supplied to government departments against government contracts are exempted from levy of town duty, Octroi duty, terminal tax and other levies of local bodies. However, on some occasions, the local bodies (like town body, municipal body etc.) as per their regulations allow such exemptions only on production of certificate to this effect from the concerned government department. Keeping this in view, the supplier shall ensure that the stores to be supplied by the supplier against the contract placed by the purchaser are exempted from levy of any such duty or tax and, wherever necessary, obtain the exemption certificate from the purchaser.

However, if a local body still insists upon payment of such local duties and taxes, the same should be paid by the supplier to the local body to avoid delay in supplies and possible demurrage charges and obtain a receipt for the same. The supplier should forward the receipt obtained for such payment to the purchaser to enable the purchaser reimburse the supplier and take other necessary action in the matter.

13.5.5 Customs Duty:

The bidder may note that:

The Purchaser will provide Custom Duty Exemption Certificate (CDEC) as per prevailing Custom Tariff and pay the applicable customs duty, for Goods offered from abroad for delivery at CIP/CIF (Port of Entry) in India basis to avail concessional rate of duty.

- 13.6 For transportation of imported goods offered from abroad, relevant instructions as incorporated under GCC Clause 10 shall be followed.
- 13.7 For insurance of goods to be supplied, relevant instructions as provided under GCC Clause 11 shall be followed.
- 13.8 Unless otherwise specifically indicated in this TE document, the terms FCA, FOB, FAS, CIF, CIP, DDP etc. for imported goods offered from abroad, shall be governed by the rules & regulations prescribed in the current edition of INCOTERMS, published by the International Chamber of Commerce.
- 13.9 The need for indication of all such price components by the bidders, as required in this clause (viz., GIT clause 13) is for the purpose of comparison of the tenders by the purchaser and will no way restrict the purchaser's right to award the contract on the selected bidder on any of the terms offered.

14. Indian Agent

- 14.1 A foreign bidder engaging an agent in India in connection with its tender, the foreign bidder, in addition to indicating Indian agent's commission, if any, in a manner described under GIT sub clause 12.2 above, shall also furnish the following information:
 - a) The complete name and address of the Indian Agent and its permanent income tax account number as allotted by the Indian Income Tax authority.

- b) The details of the services to be rendered by the agent for the subject requirement.
- c) Details of Service outlets in India, nearest to the consignee(s), to render services during Warranty and CMC period.
- d) Agency Commission will be paid to Indian agents in Indian Rupees at the exchange rate prevalent on the date of issue of supply order after satisfactory installation of the equipment.
- e) The tenderers shall clarify/state whether he/they are manufacturer, accredited agent or sole representative indicating principal's name & address. The offers of firms who are not manufacturer or direct authorized agent will be summarily rejected. **Sub-distributors will not be accepted.**
- f) Only manufacturers or their authorized distributors/agents for AIIMS are entitled to quote. The tenderers shall clarify/state whether he/they are manufacturer, accredited agent or sole representative indicating principal's name & address. The distributor/agents quoting on behalf of their manufacturer must attach valid authorization letter as per Annexure-XIV of the bid documents, otherwise their bid shall be summarily rejected. **Either the Foreign Principals or their subsidiaries in India/Manufacturers or their authorized distributor/agent should participate in the tender but not both. Also one principal cannot authorize two distributors/suppliers to quote on their behalf in the same tender. If an agent submits bids on behalf of principal/OEM, the same agent shall not submit a bid on behalf of another principal/OEM in the same tender for the same item/product.** The distributor/agent authorized for AIIMS should be equipped and able to carry out the required contractual functions and duties of the supply including after sale service, maintenance & repair etc. of the goods in question, stocking of spare parts and fast moving components and other obligations, if any, specified in the conditions of contract and/or technical specifications.

15. Firm Price

- 15.1 Unless otherwise specified in the SIT, prices quoted by the bidder shall remain firm and fixed during the currency of the contract and not subject to variation on any account.
- 15.2 However, as regards taxes and duties, if any, chargeable on the goods and payable, the conditions stipulated in GIT clause 13 will apply.

16. Alternative Tenders

- 16.1 Alternative Tenders for individual schedule(s) of the Schedule of Requirements, are not permitted.
- 16.2 However the Bidders can quote alternate models meeting the tender specifications of same manufacturer with single EMD.

17 Documents Establishing Bidder's Eligibility and Qualifications

- 17.1 Pursuant to GIT clause 11, the bidder shall furnish, as part of its tender, relevant details and documents establishing its eligibility to quote and its qualifications to perform the contract if its tender is accepted.
- 17.2 The documentary evidence needed to establish the bidder's qualifications shall fulfil the following requirements:
 - a) in case the bidder offers to supply goods, which are manufactured by some other firm, the bidder has been duly authorised by the goods manufacturer to quote for and supply the goods to the purchaser. The bidder shall submit the manufacturer's authorization letter to this effect as per the standard form provided under Section XIV in this document.

- b) the bidder has the required financial, technical and production capability necessary to perform the contract and, further, it meets the qualification criteria incorporated in the Section IX in these documents.
- c) The distributor/sole agent authorized for AIIMS should be equipped and able to carry out the required contractual functions and duties of the supply including after sale service, maintenance & repair etc. of the goods in question, stocking of spare parts and fast moving components and other obligations, if any, specified in the conditions of contract and/or technical specifications.
- d) in case the bidder is an Indian agent/authorized representative quoting on behalf of a foreign manufacturer for the **restricted item**, the Indian agent/authorized representative is already enlisted under the Compulsory Enlistment Scheme of Ministry of Finance, Govt. of India, operated through Directorate General of Supplies & Disposals (DGS&D), New Delhi.

18. Documents establishing good's Conformity to TE document.

- 18.1 **The bidder shall provide in its tender the required as well as the relevant documents like technical data, literature, drawings etc. to establish that the goods and services offered in the tender fully confirm to the goods and services specified by the purchaser in the TE documents. For this purpose the bidder shall also provide a clause-by-clause commentary on the technical specifications and other technical details incorporated by the purchaser in the TE documents to establish technical responsiveness of the goods and services offered in its tender duly indicating relevant page numbers in the product literature.**
- 18.2 In case there is any variation and/or deviation between the goods & services prescribed by the purchaser and that offered by the bidder, the bidder shall list out the same in a chart form without ambiguity and provide the same along with its tender.
- 18.3 If a bidder furnishes wrong and/or misleading data, statement(s) etc. about technical acceptability of the goods and services offered by it, its tender will be liable to be ignored and rejected in addition to other remedies available to the purchaser in this regard.
- 18.4 All information in the tender document must be supported with the manufacturer's original product data sheet, without which the bid shall not be considered. Computer print outs and photocopy of literature will not be accepted.
- 18.5 All information asked for must be provided by the bidder, in the same order as in the specifications. Ambiguous and incomplete information will not be accepted.
- 18.6 **THE TENDERERS MAY BE REQUIRED TO DEMONSTRATE THE QUOTED MODEL OF THE EQUIPMENT DURING THE TECHNICAL EVALUATION, IF REQUIRED, FAILING WHICH THEIR BIDS/OFFER SHALL BE REJECTED. The firms are intimated that they should get ready for demonstration and only one-week time will be provided for arrangement of demonstration and no request for extending time for demonstration will be entertained. Failure to demonstrate, their offer will be summarily rejected.**

19. Earnest Money Deposit (EMD)

- 19.1 Pursuant to GIT clauses 8.1 and 11.1 the bidder shall furnish along with its tender, earnest money for amount as shown in the Schedule of Requirements/GNIT. The earnest money is required to protect the purchaser against the risk of the bidder's unwarranted conduct as amplified under sub-clause 19.7 below.
- 19.2 The earnest money shall be denominated in Indian Rupees or for an equivalent amount in foreign currency. The earnest money shall be furnished in one of the following forms:
 - i) Account Payee Demand Draft
 - ii) Banker's cheque
 - iii) Bank Guarantee and
 - iv) FDR

19.3 The demand draft or banker's cheque or FDR shall be drawn on any scheduled bank in India or a commercial bank in the country of the bidder, in favour of the "**Director, AIIMS, payable at New Delhi**". In case of bank guarantee, the same is to be provided from any scheduled bank in India or by a commercial bank in the country of the tenderer as per the format specified under Section XIII in these documents.

19.4 The earnest money shall be valid for a period of one year from the date of opening of Technical bid. As validity period of Tender as per Clause 20 of GIT is 9 months, the EMD shall be valid for 365 days from Techno – Commercial Tender opening date.

19.5 Unsuccessful bidders' earnest money will be returned to them without any interest, after expiry of the tender validity period, but not later than thirty days after conclusion of the resultant contract. Successful bidder's earnest money will be returned without any interest, after receipt of performance security from that bidder.

19.6 Earnest Money is required to protect the purchaser against the risk of the Bidder's conduct, which would warrant the forfeiture of the EMD. Earnest money of a bidder will be forfeited, if the bidder withdraws or amends its tender or impairs or derogates from the tender in any respect within the period of validity of its tender or if it comes to notice that the information/documents furnished in its tender is incorrect, false, misleading or forged without prejudice to other rights of the purchaser. The successful bidder's earnest money will be forfeited without prejudice to other rights of Purchaser if it fails to furnish the required performance security within the specified period.

19.7 In the case of Bank Guarantee furnished from banks outside India (i.e. foreign Banks), it should be authenticated and countersigned by any nationalised bank in India by way of back-to-back counter guarantee.

19.8 **Submission of EMD is mandatory in the acceptable form as brought out in the Earnest Money Deposit clause Para 19.2, 19.3 & 19.4, failing which their bid will be summarily rejected and no correspondence will be entertained in future in this regard. Any kind of exemptions giving MSME/NSIC in respect of EMD will not be acceptable.**

20. Tender Validity

20.1 If not mentioned otherwise in the SIT, the tenders shall remain valid for acceptance for a period of 9 months from the date of tender opening prescribed in the TE document. Any tender valid for a shorter period shall be treated as unresponsive and rejected.

20.2 In exceptional cases, the bidders may be requested by the purchaser to extend the validity of their tenders up to a specified period. Such request(s) and responses thereto shall be conveyed by surface mail or by fax followed by surface mail. The bidders, who agree to extend the tender validity, are to extend the same without any change or modification of their original tender and they are also to extend the validity period of the EMD accordingly. A bidder, however, may not agree to extend its tender validity without forfeiting its EMD.

20.3 In case the day up to which the tenders are to remain valid falls on/ subsequently declared a holiday or closed day for the purchaser, the tender validity shall automatically be extended up to the next working day.

21. Signing and Sealing of Tender

THE TENDERERS MUST QUOTE THEIR MODEL STRICTLY AS PER TENDER SPECIFICATIONS.

21.1 The bidders shall submit their tenders as per the instructions contained in GIT Clause 11.

21.2 The bidder shall submit their tender enquiry documents marking them as "Original". Original bid may contain all pages including Technical Literature/Catalogues etc.

- 21.3 The original tender shall either be typed or written in indelible ink and the same shall be signed by the bidder or by a person(s) who has been duly authorized to bind the bidder to the contract. The letter of authorization shall be by a written power of attorney, which shall also be furnished along with the tender.
- 21.4 All the tender should be paginated (page numbered) and shall be duly signed at the appropriate places as indicated in the TE documents and all other pages of the tender including printed literature, if any shall be initialled by the same person(s) signing the tender. The tender shall not contain any erasure or overwriting, except as necessary to correct any error made by the bidder and, if there is any such correction; the same shall be initialled by the person(s) signing the tender.
- 21.5 The bidder is to seal the original duly marking the same as “Original”, and writing the address of the purchaser and the tender reference number on the envelopes. The sentence “NOT TO BE OPENED” before _____ (*The bidder is to put the date & time of tender opening*), BID FOR ITEM & SCHEDULE NO. _____ (*The bidder is to put the “Brief Description of Goods” and the Schedule No. Of the Schedule of requirement where for the bid is being submitted*)” are to be written on these envelopes. The inner envelopes are then to be put in a bigger outer envelope, which will also be duly sealed, marked etc. as above. If the outer envelope is not sealed and marked properly as above, the purchaser will not assume any responsibility for its misplacement, premature opening, late opening etc.
- 21.6 TE document seeks quotation following **two Tender System**, in two parts. First part will be known as **‘Techno - Commercial Tender’**, and the second part **‘Price Tender’** as specified in clause 11 of GIT. Bidder shall seal **‘Techno - Commercial Tender’** and **‘Price Tender’** separately and covers will be suitably super scribed. Both these sealed covers shall be put in a bigger cover and sealed and procedure prescribed in Paras 21.1 to 21.5 followed.

D. SUBMISSION OF TENDERS

22. Submission of Tenders

- 22.1 Unless otherwise specified, **the bidders are to drop the tenders in the tender box of office of Stores Officer (DO), Stores Section, 1st Floor, Animal House Building, Near Biotechnology Building, at AIIMS New Delhi-110 029** or the same shall be submitted by the tenderer by hand to concerned dealing hand or nominee of Stores Officer (DO) on above mentioned address. The officer receiving the tender will give the tenderer an official receipt duly signed with date and time.
- 22.2 The bidders must ensure that they deposit their tenders not later than the closing time and date specified for submission of tenders. It is the responsibility of the bidder to ensure that their Tenders whether sent by post or by courier or by person, are dropped in the Tender Box by the specified clearing date and time. In the event of the specified date for submission of tender falls on / is subsequently declared a holiday or closed day for the purchaser, the tenders will be received up to the appointed time on the next working day.

23. Late bid

- 23.1 A tender, which is received after the specified date and time for receipt of tenders will be treated as “late” tender and will be ignored.

24. Alteration and Withdrawal of Tender

- 24.1 The bidder, after submitting its tender, is permitted to alter / modify its tender so long as such alterations / modifications are received duly signed, sealed and marked like the original tender, within the deadline for submission of tenders. Alterations / modifications to tenders received after the prescribed deadline will not be considered.

- 24.2 No tender should be withdrawn after the deadline for submission of tender and before expiry of the tender validity period. If a bidder withdraws the tender during this period, it will result in forfeiture of the earnest money furnished by the bidder in its tender.

E. TENDER OPENING

25. Opening of Tenders

- 25.1 The purchaser will open the tenders at the specified date, time and place as indicated in the GNIT.

In case the specified date of tender opening falls on / is subsequently declared a holiday or closed day in Institute, the tenders will be opened at the appointed time and place on the next working day.

- 25.2 Authorized representatives of the bidders, who have submitted tenders on time may attend the tender opening provided they bring with them letters of authority from the corresponding bidders. The tender opening official(s) will prepare a list of the representatives attending the tender opening. The list will contain the representatives' names & signatures and corresponding bidders' names and addresses.
- 25.3 Two - Tender system as mentioned in Para 21.6 above will be as follows. The **Techno - Commercial Tenders** are to be opened in the first instance, at the prescribed time and date as indicated in GNIT. These Tenders shall be scrutinized and evaluated by the competent committee/ authority with reference to parameters prescribed in the TE document. During the Techno - Commercial Tender opening, the tender opening official(s) will read the salient features of the tenders like brief description of the goods offered, delivery period, Earnest Money Deposit and any other special features of the tenders, as deemed fit by the tender opening official(s). Thereafter, in the second stage, the Price Tenders of only the Techno - Commercially acceptable offers (as decided in the first stage) shall be opened for further scrutiny and evaluation on a date notified after the evaluation of the Techno – Commercial tender. The prices, special discount if any of the goods offered etc., as deemed fit by tender opening official(s) will be read out.

F. SCRUTINY AND EVALUATION OF TENDERS

26. Basic Principle

- 26.1 Tenders will be evaluated on the basis of the terms & conditions already incorporated in the TE document, based on which tenders have been received and the terms, conditions etc. mentioned by the bidders in their tenders. No new condition will be brought in while scrutinizing and evaluating the tenders.

27. Preliminary Scrutiny of Tenders

- 27.1 The Purchaser will examine the Tenders to determine whether they are complete, whether any computational errors have been made, whether required sureties have been furnished, whether the documents have been properly signed stamped and whether the Tenders are generally in order.
- 27.2 Prior to the detailed evaluation of Price Tenders, pursuant to GIT Clause 34, the Purchaser will determine the substantial responsiveness of each Tender to the TE Document. For purposes of these clauses, a substantially responsive Tender is one, which conforms to all the terms and conditions of the TE Documents without material deviations. Deviations from, or objections or reservations to critical provisions such as those concerning Performance Security (GCC Clause 5), Warranty (GCC Clause 15), EMD (GIT Clause 19), Taxes & Duties (GCC Clause 20), Force Majeure (GCC Clause 26) and Applicable law (GCC Clause 31) will be deemed to be a material deviation. The Purchaser's determination of a Tender's responsiveness is to be based on the contents of the tender itself without recourse to extrinsic evidence.

- 27.3 If a Tender is not substantially responsive, it will be rejected by the Purchaser and cannot subsequently be made responsive by the Bidder by correction of the nonconformity.
- 27.4 The tenders will be scrutinized to determine whether they are complete and meet the essential and important requirements, conditions etc. as prescribed in the TE document. The tenders, which do not meet the basic requirements, are liable to be treated as non – responsive and will be summarily ignored.
- 27.5 The following are some of the important aspects, for which a tender shall be declared non – responsive and will be summarily rejected.
- (i) Tender form as per Section X (signed and stamped) not enclosed.
 - (ii) Tender is unsigned.
 - (iii) Tender validity is shorter than the required period.
 - (iv) Required EMD (Amount, validity etc.).
 - (v) Bidder has quoted for goods manufactured by other manufacturer(s) without the required Manufacturer’s Authorisation Form as per Section XIV.
 - (vi) Bidder has not agreed to give the required performance security.
 - (vii) Goods offered are not meeting the tender enquiry specification.
 - (viii) Bidder has not agreed to other essential condition(s) specially incorporated in the tender enquiry like terms of payment, liquidated damages clause, warranty clause, dispute resolution mechanism applicable law.
 - (ix) Poor/ unsatisfactory past performance.
 - (x) Bidders who stand deregistered/banned/blacklisted by any Govt. Authorities, depending on merits.
 - (xi) Bidder is not eligible as per GIT Clauses 5.1 & 17.1.
 - (xii) Bidder has not quoted for the entire quantity as specified in the Schedule of Requirements in the quoted schedule.

28. Minor Infirmary/Irregularity/Non-Conformity

- 28.1 If during the preliminary examination, the purchaser find any minor informality and/or irregularity and/or non-conformity in a tender, the purchaser may waive the same provided it does not constitute any material deviation and financial impact and, also, does not prejudice or affect the ranking order of the bidders. Wherever necessary, the purchaser will convey its observation on such ‘minor’ issues to the bidder by registered/speed post etc. asking the bidder to respond by a specified date. If the bidder does not reply by the specified date or gives evasive reply without clarifying the point at issue in clear terms, that tender will be liable to be ignored.

29 Discrepancies in Prices

- 29.1 If, in the price structure quoted by a bidder, there is discrepancy between the unit price and the total price (which is obtained by multiplying the unit price by the quantity), the unit price shall prevail and the total price corrected accordingly, unless the purchaser feels that the bidder has made a mistake in placing the decimal point in the unit price, in which case the total price as quoted shall prevail over the unit price and the unit price corrected accordingly.
- 29.2 If there is an error in a total price, which has been worked out through addition and/or subtraction of subtotals, the subtotals shall prevail and the total corrected; and

- 29.3 If there is a discrepancy between the amount expressed in words and figures, the amount in words shall prevail, subject to sub clause 29.1 and 29.2 above.
- 29.4 If, as per the judgement of the purchaser, there is any such arithmetical discrepancy in a tender, the same will be suitably conveyed to the bidder by registered / speed post. If the bidder does not agree to the observation of the purchaser, the tender is liable to be ignored.
- 30. Discrepancy between original and copies of Tender**
- 30.1 In case any discrepancy is observed between the text etc. of the original copy and that in the other copies of the same tender set, the text etc. of the original copy shall prevail. Here also, the purchaser will convey its observation suitably to the bidder by register / speed post and, if the bidder does not accept the purchaser's observation, that tender will be liable to be ignored.
- 31. Qualification Criteria**
- 31.1 Tenders of the bidders, who do not meet the required Qualification Criteria prescribed in Section IX, will be treated as non - responsive and will not be considered further.
- 32. Conversion of tender currencies to Indian Rupees**
- 32.1 In case the TE document permits the bidders to quote their prices in different currencies, all such quoted prices of the responsive bidders will be converted to a single currency viz., Indian Rupees for the purpose of equitable comparison and evaluation, as per the exchange rates established by the Reserve Bank of India for similar transactions, as on the date of 'Price Tender' opening.
- 33. Schedule-wise Evaluation**
- 33.1 In case the Requirements contain more than one schedule, the responsive tenders will be evaluated and compared separately for each schedule. The tender for a schedule will not be considered if the complete requirements prescribed in that schedule are not included in the tender.
- 34. Comparison of Tenders**
- 34.1 Unless mentioned otherwise in Section – III – Special Instructions to Tenderers and Section– VI– Schedule of Requirements, the comparison of the responsive tenders shall be carried out on Delivery at Consignee site basis, inclusive of applicable taxes, duties, incidental services. In case of Goods offered from abroad, the quoted CIP (New Delhi International Airport/ICD Tuglakabad/Patparganj basis as stipulated in bid document) shall be loaded with applicable custom duty as per Customs Tariff Act and inland transportation, loading unloading and incidental service charges @ one (1) % to arrive at delivery at consignee site price.
- 34.2 The quoted turnkey prices, if any and Comprehensive AMC (as stipulated in the technical specification for the respective schedule) prices after comprehensive warranty will also be added for comparison/ranking purpose for evaluation.
- 35. Additional Factors and Parameters for Evaluation and Ranking of Responsive Tenders**
- 35.1 The purchaser's evaluation of tender will also take into account the additional factors, if any, incorporated in SIT in the manner and to the extent indicated therein.
- 36. Bidder's capability to perform the contract**
- 36.1 The purchaser, through the above process of tender scrutiny and tender evaluation will determine to its satisfaction whether the bidder, whose tender has been determined as the lowest evaluated responsive tender is eligible, qualified and capable in all respects to perform the contract satisfactorily.

36.2 The above-mentioned determination will, inter alia, take into account the bidder's financial, technical and production capabilities for satisfying all the requirements of the purchaser as incorporated in the TE document. Such determination will be based upon scrutiny and examination of all relevant data and details submitted by the bidder in its tender as well as such other allied information as deemed appropriate by the purchaser.

37. Contacting the Purchaser

37.1 From the time of submission of tender to the time of awarding the contract, if a bidder needs to contact the purchaser for any reason relating to this tender enquiry and / or its tender, it should do so only in writing.

37.2 In case a bidder attempts to influence the purchaser in the purchaser's decision on scrutiny, comparison & evaluation of tenders and awarding the contract, the tender of the bidder shall be liable for rejection in addition to appropriate administrative actions being taken against that bidder, as deemed fit by the purchaser.

G. AWARD OF CONTRACT

38. Purchaser's Right to accept any tender and to reject any or all tenders

38.1 The purchaser reserves the right to accept in part or in full any tender or reject any or more tender(s) without assigning any reason or to cancel the tendering process and reject all tenders at any time prior to award of contract, without incurring any liability, whatsoever to the affected bidder or bidders.

39. Award Criteria

39.1 Subject to GIT clause 38 above, the contract will be awarded to the lowest evaluated responsive bidder decided by the purchaser in terms of GIT Clause 36.

40. Variation of Quantities at the Time of Award/ Currency of Contract

40.1 At the time of awarding the contract, the purchaser reserves the right to increase or decrease up to twenty five (25) %, the quantity of goods and services mentioned in the schedule (s) in the "Schedule of Requirements" (rounded of to next whole number) without any change in the unit price and other terms & conditions quoted by the bidder.

40.2 If the quantity has not been increased at the time of the awarding the contract, the purchaser reserves the right to increase up to twenty five (25) %, the quantity of goods and services mentioned in the contract (rounded of to next whole number) without any change in the unit price and other terms & conditions mentioned in the contract, during the currency of the contract.

41. Notification of Award

- 41.1 Before expiry of the tender validity period, the purchaser will notify the successful bidder(s) in writing, by registered / speed post or by fax/ telex/cable (to be confirmed by registered / speed post) that its tender for goods & services, which have been selected by the purchaser, has been accepted, also briefly indicating therein the essential details like description, specification and quantity of the goods & services and corresponding prices accepted. The successful bidder must furnish to the purchaser the required performance security within thirty days from the date of dispatch of this notification, failing which the EMD will be forfeited and the award will be cancelled. Relevant details about the performance security have been provided under GCC Clause 5 under Section IV.
- 41.2 The Notification of Award shall constitute the conclusion of the Contract.

42. Issue of Contract Form

- 42.1 Promptly after notification of award, the Purchaser/Consignee will mail the contract form duly completed and signed, to the successful bidder by registered/speed post.
- 42.2 Within twenty one days from the date of issue of contract form, the successful bidder shall return the original copy of the contract (in case of any correction/amendment), duly signed and dated, to the Purchaser/Consignee by registered / speed post.
- 42.3 The Purchaser/Consignee reserve the right to issue the Notification of Award item wise.

43. Non-receipt of Performance Security and Contract by the Purchaser/Consignee

- 43.1 Failure of the successful bidder in providing performance security and / or returning contract copy duly signed in terms of GIT clauses 41 and 42 above shall make the bidder liable for forfeiture of its EMD and, also, for further actions by the Purchaser/Consignee against it as per the clause 24 of GCC – Termination of default.

44. Return of E M D

- 44.1 The earnest money of the successful bidder and the unsuccessful bidders will be returned to them without any interest, whatsoever, in terms of GIT Clause 19.6.

45. Publication of Tender Result

- 45.1 The name of the successful bidder(s) receiving the contract(s) will be published on the Institutes web site.

46. Corrupt or Fraudulent Practices

- 46.1 It is required by all concerned namely the Consignee/Bidders/Suppliers etc to observe the highest standard of ethics during the procurement and execution of such contracts. In pursuance of this policy, the Purchaser: -
- (a) defines, for the purposes of this provision, the terms set forth below as follows:
- (i) “corrupt practice” means the offering, giving, receiving or soliciting of any thing of value to influence the action of a public official in the procurement process or in contract execution; and
 - (ii) “fraudulent practice” means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of the Purchaser, and includes collusive practice among Bidders (prior to or after Tender submission) designed to establish Tender prices at artificial non-competitive levels and to deprive the Purchaser of the benefits of free and open competition;
- (b) will reject a proposal for award if it determines that the Bidder recommended for award has engaged in corrupt or fraudulent practices in competing for the contract in question;

(c) will declare a firm ineligible, either indefinitely or for a stated period of time, to be awarded a contract by the purchaser if it at any time determines that the firm has engaged in corrupt or fraudulent practices in competing for, or in executing the contract.

47. The tenderer shall furnish a non-blacklisting certificate that the firm has not been blacklisted in the past by any government/Private institution.

48. The tenderer/supplier has to give an affidavit on non-judicial stamp paper of Rs.10/- that there is no vigilance/CBI case pending against the firm/supplier and the firm has not been black-listed in the past by any Govt. or Private Organization.

SECTION - III
SPECIAL INSTRUCTIONS TO TENDERERS
(SIT)

Sl. No.	GIT Clause No.	Topic	SIT Provision
A	1 to 7	Preamble	No Change
B	8 to 10	Tender Enquiry (TE) documents	No Change
C	11 to 21	Preparation of Tenders	No Change
D	22 to 24	Submission of Tenders	No Change
E	25	Tender Opening	No Change
F	26 to 37	Scrutiny and Evaluation of Tenders	No Change
G	38 to 46	Award of Contract	No Change

SECTION - IV
GENERAL CONDITIONS OF CONTRACT (GCC)
TABLE OF CLAUSES

Sl No.	Topic
1	Application
2	Use of contract documents and information
3	Patent Rights
4	Country of Origin
5	Performance Security
6	Technical Specifications and Standards
7	Packing and Marking
8	Inspection, Testing and Quality Control
9	Terms of Delivery
10	Transportation of Goods
11	Insurance
12	Spare parts
13	Incidental services
14	Distribution of Dispatch Documents for Clearance/Receipt of Goods
15	Warranty
16	Assignment
17	Sub Contracts
18	Modification of contract
19	Prices
20	Taxes and Duties
21	Terms and mode of Payment
22	Delay in the supplier's performance
23	Liquidated Damages
24	Termination for default
25	Termination for insolvency
26	Force Majeure
27	Termination for convenience
28	Governing language
29	Notices
30	Resolution of disputes
31	Applicable Law
32	General/Miscellaneous Clauses

SECTION - IV
GENERAL CONDITIONS OF CONTRACT (GCC)

1. Application

1.1 The General Conditions of Contract incorporated in this section shall be applicable for this purchase to the extent the same are not superseded by the Special Conditions of Contract prescribed under Section V, Schedule of requirements under Section VI and Important Terms and conditions under Section VII of this document.

2. Use of contract documents and information

2.1 The supplier shall not, without the purchaser's prior written consent, disclose the contract or any provision thereof including any specification, drawing, sample or any information furnished by or on behalf of the purchaser in connection therewith, to any person other than the person(s) employed by the supplier in the performance of the contract emanating from this TE document. Further, any such disclosure to any such employed person shall be made in confidence and only so far as necessary for the purposes of such performance for this contract.

2.2 Further, the supplier shall not, without the purchaser's prior written consent, make use of any document or information mentioned in GCC sub-clause 2.1 above except for the sole purpose of performing this contract.

2.3 Except the contract issued to the supplier, each and every other document mentioned in GCC sub-clause 2.1 above shall remain the property of the purchaser and, if advised by the purchaser, all copies of all such documents shall be returned to the purchaser on completion of the supplier's performance and obligations under this contract.

3. Patent Rights

3.1 The supplier shall, at all times, indemnify and keep indemnified the purchaser, free of cost, against all claims which may arise in respect of goods & services to be provided by the supplier under the contract for infringement of any intellectual property rights or any other right protected by patent, registration of designs or trademarks. In the event of any such claim in respect of alleged breach of patent, registered designs, trade marks etc. being made against the purchaser, the purchaser shall notify the supplier of the same and the supplier shall, at his own expenses take care of the same for settlement without any liability to the purchaser.

4. Country of Origin

4.1 The word "origin" incorporated in this clause means the place from where the goods are mined, cultivated, grown, manufactured, produced or processed or from where the services are arranged.

4.2 The country of origin may be specified in the Technical bid and Price Schedule/bid.

5. Performance Security

5.1 The bidder have to submit a Performance Bank Guarantee within fifteen days (15) days from the date of the issue of supply order of an amount equal to ten percent (10%) of the total value of the contract, valid up to sixty (60) days beyond after the date of completion of all contractual obligations by the supplier, including the warranty obligations initially valid for a period of minimum 68 months from the date of Notification of Award.

5.2 The Performance security shall be denominated in Indian Rupees or in the foreign currency of equal amount of the contract as detailed below:

- a) It shall be in any one of the forms namely Fixed Deposit Receipt (FDR) drawn from any Scheduled bank in India or Bank Guarantee issued by a Scheduled bank in India, in the prescribed form as provided in section XV of this document in favour of the Purchaser/Consignee. The validity of the Fixed Deposit receipt or Bank Guarantee will be for a period up to sixty (60) days beyond of Warranty Period.

- 5.3 In the event of any failure /default of the supplier with or with out any quantifiable loss to the government including furnishing of consignee wise Bank Guarantee for CMC security as per Proforma in Section XV, the amount of the performance security is liable to be forfeited. The Administration Department may do the needful to cover any failure/default of the supplier with or without any quantifiable loss to the Government.
- 5.4 In the event of any amendment issued to the contract, the supplier shall, within twenty-one (21) days of issue of the amendment, furnish the corresponding amendment to the Performance Security (as necessary), rendering the same valid in all respects in terms of the contract, as amended.
- 5.5 The supplier shall enter into Annual Comprehensive Maintenance Contract with respective consignees, 3 (three) months prior to the completion of Warranty Period. The CMC will commence from the date of expiry of the Warranty Period.
- 5.6 Subject to GCC sub – clause 5.3 above, the Institute will release the Performance Security without any interest to the supplier on completion of the supplier’s all contractual obligations including the warranty obligations & after receipt of Consignee wise Bank Guarantee for CMC security in favour of “Director’ AIIMS of the consignee as per the format in Section XV.

6. Technical Specifications and Standards

- 6.1 The Goods & Services to be supplied/provided by the supplier under this contract shall conform to the technical specifications and quality control parameters mentioned in ‘Important Terms and conditions’ and ‘Quality Control Requirements’ under Sections VII and VIII of this document.

7. Packing and Marking

- 7.1 The packing for the goods to be provided by the supplier should be strong and durable enough to withstand, without limitation, the entire journey during transit including transshipment (if any), rough handling, open storage etc. without any damage, deterioration etc. As and if necessary, the size, weights and volumes of the packing cases shall also take into consideration, the remoteness of the final destination of the goods and availability or otherwise of transport and handling facilities at all points during transit up to final destination as per the contract.
- 7.2 The quality of packing, the manner of marking within & outside the packages and provision of accompanying documentation shall strictly comply with the requirements as provided in ‘Important Terms and conditions’ and ‘Quality Control Requirements’ under Sections VII and VIII and in SCC under Section V. In case the packing requirements are amended due to issue of any amendment to the contract, the same shall also be taken care of by the supplier accordingly.

7.3 **Packing instructions:**

Unless otherwise mentioned in the 'Important Terms and conditions' and Quality Control Requirements under Sections VII and VIII and in SCC under Section V, the supplier shall make separate packages for each consignee (in case there is more than one consignee mentioned in the contract) and mark each package on three sides with the following with indelible paint of proper quality:

- a. contract number and date
- b. brief description of goods including quantity
- c. packing list reference number
- d. country of origin of goods
- e. consignee's name and full address and
- f. supplier's name and address

8. Inspection, Testing and Quality Control

- 8.01 The Purchaser or its representatives shall have the right to inspect and/or to test the goods to confirm their conformity to the Contract Specification at no extra cost to the Purchaser. The 'Important Terms and conditions' in Section 'VII' and Inspection Authority to be designated by the Purchaser shall specify what inspections and tests the Purchaser requires and where they are to be conducted. The Purchaser shall notify the Supplier in writing in a timely manner of the identity of any representatives retained for these purpose.
- 8.02 The inspections and tests may be conducted on the premises of the Supplier or its subcontractor(s), at point of delivery and/or at the goods final destination. If conducted on the premises of the Supplier or its subcontractor(s), all reasonable facilities and assistance, including access to drawings and production data shall be furnished to the inspectors at no charge to the Purchaser.
- 8.03 Should any inspected or tested Goods fail to conform to the specifications, the Purchaser may reject the Goods and the Supplier shall either replace the rejected Goods or make all alterations necessary to meet specification requirements free of cost to the Purchaser, within a period of 45(forty five) days of intimating such rejection.
- 8.04 The Purchaser's right to inspect, test and, where necessary, reject the Goods after the Good's arrival at the final destination shall in no way be limited or waived by reason of the Goods having previously been inspected, tested and passed by Purchaser or its representatives prior to the Goods' shipment.
- 8.05 Nothing in Clause 08 shall in any way release the Supplier from any warranty or other obligations under the Contract.
- 8.06 The Director, AIIMS New Delhi shall be the final authority to reject full or any part of the supply which is not confirming to the specification and other terms and conditions.
- 8.07 No payment shall be made for rejected Stores. Rejected items must be removed by the tenderers within two weeks of the date of rejection at their own cost and replace immediately. In case these are not removed, these will be auctioned at the risk and responsibility of the suppliers without any further notice.

9. Terms of Delivery

- 9.1 Goods shall be delivered by the supplier in accordance with the terms of delivery specified in the contract.

10. Transportation of Goods

10.1 Instructions for transportation of imported goods offered from abroad:

The supplier shall not arrange part-shipments and/or transshipment without the express/prior written consent of the purchaser. The supplier is required under the contract to deliver the goods under CIP (Named port of destination) terms; the shipment shall be made by Indian flag vessel or by vessels belonging to the conference lines in which India is a member country through India's forwarding agents/coordinators. In case the forwarding agent/coordinators are unable to provide timely adequate space in Indian flag vessel or by vessels belonging to the conference lines, the supplier shall arrange shipment through any available vessel to adhere to the delivery schedule given in the contract.

In case of airlifting of imported goods offered from abroad, the same will be done only through the National Carrier i.e. Air India wherever applicable. In case the National Carrier is not available, any other airlines available for early delivery may be arranged.

10.2 Instructions for transportation of domestic goods including goods already imported by the supplier under its own arrangement:

In case no instruction is provided in this regard in the SCC, the supplier will arrange transportation of the ordered goods as per its own procedure.

11. Insurance:

11.1 Unless otherwise instructed in the SCC, the supplier shall make arrangements for insuring the goods against loss or damage incidental to manufacture or acquisition, transportation, storage and delivery in the following manner:

- i) in case of supply of domestic goods on Consignee site basis, the supplier shall be responsible till the entire stores contracted for arrival in good condition at destination. The transit risk in this respect shall be covered by the Supplier by getting the stores duly insured.
- ii) in case of supply of the imported goods on CIP Named port of Destination Basis, the additional extended Insurance (local transportation and storage) would be borne by the Supplier from the port of entry to the consignee warehouse.

If the equipment is not commissioned and handed over to the consignee within 3 months, the insurance will be got extended by the supplier at their cost till the successful installation, testing, commissioning and handing over of the goods to the consignee. In case the delay in the installation and commissioning is due to handing over of the site to the supplier by the consignee, such extensions of the insurance will still be done by the supplier, but the insurance extension charges at actual will be reimbursed.

12. Spare parts

12.1 The separate price list of all spares and accessories and consumables, if any, (Including minor) required for maintenance and repairs in future after guarantee/warranty period must be attached/enclosed along with the sealed quotation failing which quotation will not be considered.

If any spares & accessories other than the price list attached/enclosed by the firm are required for future repair it will be borne by the firm only.

The tenderers are required to furnish the list of spares along with their cost in the Financial Bid failing which their bids are liable to be rejected.

- b) In case the production of the spare parts is discontinued:
 - i) Sufficient advance notice to the Purchaser/Consignee before such discontinuation to provide adequate time to the purchaser to purchase the required spare parts etc., and
 - ii) Immediately following such discontinuation, providing the Purchaser/Consignee, free of cost, the designs, drawings, layouts and specifications of the spare parts, as and if requested by the Purchaser/Consignee.

12.2 Supplier shall carry sufficient inventories to assure ex-stock supply of consumable spares for the goods so that the same are supplied to the Purchaser/Consignee promptly on receipt of order from the Purchaser/Consignee.

13. **Incidental services**

13.1 Subject to the stipulation, if any, in the SCC (Section – V), Schedule of Requirements (Section – VI) and the ‘Important Terms and conditions’ (Section – VII), the supplier shall be required to perform the following services.

- i) Installation & commissioning, Supervision and Demonstration of the goods
- ii) Providing required jigs and tools for assembly, minor civil works required for the completion of the installation.
- iii) Training of Consignee’s Doctors, Staff, operators etc. for operating and maintaining the goods
- iv) Supplying required number of operation & maintenance manual for the goods

14. **Distribution of Dispatch Documents for Clearance/Receipt of Goods**

The supplier shall send all the relevant despatch documents well in time to the Purchaser/Consignee to enable the Purchaser/Consignee clear or receive (as the case may be) the goods in terms of the contract.

Unless otherwise specified in the SCC, the usual documents involved and the drill to be followed in general for this purpose are as follows.

A) For Domestic Goods Or Goods of Foreign Origin Located Within India/Goods to be imported and supplied against payment in Indian Rupees

Within 24 hours of despatch or prior, the supplier shall notify the purchaser, consignee, and others concerned if mentioned in the contract, the complete details of despatch and also supply the following documents to them by registered post / speed post (or as instructed in the contract):

- (i) Four copies of supplier’s invoice showing contract number, goods description, quantity, unit price and total amount;
- (ii) Two copies of packing list identifying contents of each package;
- (iii) Inspection certificate by the nominated inspection agency, if applicable as per the contract
- (iv) Certificate of origin;
- (v) Manufacturers/Supplier’s warranty certificate & In-house inspection certificate.

B) For goods imported from abroad

Within 24 hours of despatch or prior, the supplier shall notify the purchaser, consignee, and others concerned if mentioned in the contract, the complete details of despatch and also supply the following documents to them by registered post / speed post (or as instructed in the contract). Any delay or demurrage occurred during the customs clearance on account of the non-availability of technical support/ clarifications /documents from the supplier shall be borne by the supplier:

- (i) Seven copies of supplier's invoice showing Tender/Contract number, goods description, quantity, unit price and total amount;
- (ii) Original and copies of the negotiable clean, on-board Bill of Lading/Airway bill, marked freight pre paid and copies of non-negotiable Bill of Lading/Airway bill;
- (iii) Packing list identifying contents of each package;
- (iv) Insurance Certificate as per GCC Clause 11.
- (v) Manufacturer's/Supplier's warranty certificate;
- (vi) Inspection Certificate for the despatched equipments issued by recognized/ reputed agency like SGS, Lloyd or equivalent (acceptable to the purchaser) prior to despatch
- (vii) Manufacturer's own factory inspection report;
- (viii) Certificate of origin
- (ix) Port of Loading;
- (x) Port of Discharge and
- (xi) Expected date of arrival.

15. Warranty

15.1 The supplier **warrants comprehensively** that the goods supplied under the contract is new, unused and incorporate all recent improvements in design and materials unless prescribed otherwise by the purchaser in the contract. The supplier further warrants that the goods supplied under the contract shall have no defect arising from design, materials (*except when the design adopted and / or the material used are as per the Purchaser's/Consignee's specifications*) or workmanship or from any act or omission of the supplier, that may develop under normal use of the supplied goods under the conditions prevailing in India.

15.2 **THE TENDERERS MUST QUOTE FOR FIVE YEARS COMPREHENSIVE WARRANTY (INCLUDING ALL SPARES AND LABOR) FROM THE DATE OF COMPLETION OF THE SATISFACTORY INSTALLATION OF THE EQUIPMENT. THE WARRANTY CHARGES SHALL NOT BE QUOTED SEPARATELY OTHERWISE THE OFFER SHALL BE SUMMARILY REJECTED.**

THE BIDDERS MUST SUBMIT THEIR QUOTE ALSO (RATES) FOR SUBSEQUENT FIVE YEARS COMPREHENSIVE AMC (INCLUDING ALL SPARES AND LABOR)_SHOULD BE INCLUDED IN C.A.M.C. QUOTED IN THEIR PRICE BID. FAILURE TO COMPLY THIS CONDITION WILL ENTAIL THE REJECTION OF THE BIDS.

The cost of CMC will be added for Ranking/Evaluation purpose.

- No conditional warranty like mishandling, manufacturing defects etc. will be acceptable.
- Comprehensive Warranty as well as Comprehensive Maintenance contract will be inclusive of all accessories and Turnkey work.
- Replacement and repair will be under taken for the defective goods.
- Proper marking has to be made for all spares for identification like printing of installation and repair dates.

- 15.3 In case of any claim arising out of this warranty, the Purchaser/Consignee shall promptly notify the same in writing to the supplier. The period of the warranty will be as per G.C.C clause number 15.2 above irrespective of any other period mentioned elsewhere in the Tender enquiry documents.
- 15.4 Upon receipt of such notice, the supplier shall, within 48 hours on a 24(hrs) X 7 (days) X 365 (days) basis respond to take action to repair or replace the defective goods or parts thereof, free of cost, at the ultimate destination. The supplier shall take over the replaced parts/goods after providing their replacements and no claim, whatsoever shall lie on the purchaser for such replaced parts/goods thereafter. The penalty clause for non rectification will be applicable as per tender conditions.
- 15.5 If the supplier, having been notified, fails to respond to take action to repair or replace the defect(s) within 48 hours on a 24 (hrs) X 7 (days) X 365 (days) basis, the purchaser may proceed to take such remedial action(s) as deemed fit by the purchaser, at the risk and expense of the supplier and without prejudice to other contractual rights and remedies, which the purchaser may have against the supplier.
- 15.6 During Warranty period, the supplier is required to visit at each consignee's site at least once in 6 months commencing from the date of the installation for preventive maintenance of the goods.
- 15.7 The Purchaser/Consignee reserve the rights to enter into Annual Comprehensive Maintenance Contract between Consignee and the Supplier for the period as mentioned in Section VII, Technical Specifications after the completion of warranty period.
- 15.8 The supplier along with its Indian Agent and the CMC provider shall ensure continued supply of the spare parts for the machines and equipments supplied by them to the purchaser for 10 years from the date of installation and handing over.
- 15.9 The Supplier along with its Indian Agent and the CMC provider shall always accord most favoured client status to the Purchaser vis-à-vis its other Clients/Purchasers of its equipments/machines/goods etc. and shall always give the most competitive price for its machines/equipments supplied to the Purchaser/Consignee.

16. Assignment

- 16.1 The Supplier shall not assign, either in whole or in part, its contractual duties, responsibilities and obligations to perform the contract, except with the Purchaser's prior written permission.

17. Sub Contracts

- 17.1 The Supplier shall notify the Purchaser in writing of all sub contracts awarded under the contract if not already specified in its tender. Such notification, in its original tender or later, shall not relieve the Supplier from any of its liability or obligation under the terms and conditions of the contract.
- 17.2 Sub contract shall be only for bought out items and sub-assemblies.
- 17.3 Sub contracts shall also comply with the provisions of GCC Clause 4 ("Country of Origin").

18. Modification of contract

- 18.1 If necessary, the purchaser may, by a written order given to the supplier at any time during the currency of the contract, amend the contract by making alterations and modifications within the general scope of contract in any one or more of the following:
- a) Specifications, drawings, designs etc. where goods to be supplied under the contract are to be specially manufactured for the purchaser,
 - b) Mode of packing,
 - c) Incidental services to be provided by the supplier
 - d) Mode of despatch,
 - e) Place of delivery, and
 - f) Any other area(s) of the contract, as felt necessary by the purchaser depending on the merits of the case.
- 18.2 In the event of any such modification/alteration causing increase or decrease in the cost of goods and services to be supplied and provided, or in the time required by the supplier to perform any obligation under the contract, an equitable adjustment shall be made in the contract price and/or contract delivery schedule, as the case may be, and the contract amended accordingly. If the supplier doesn't agree to the adjustment made by the Purchaser/Consignee, the supplier shall convey its views to the Purchaser/Consignee within twenty-one days from the date of the supplier's receipt of the Purchaser's/Consignee's amendment / modification of the contract.

19. Prices

- 19.1 Prices to be charged by the supplier for supply of goods and provision of services in terms of the contract shall not vary from the corresponding prices quoted by the supplier in its tender and incorporated in the contract except for any price adjustment authorised in the SCC.

20. Taxes and Duties

- 20.1 Supplier shall be entirely responsible for all taxes, duties, fees, levies etc. incurred until delivery of the contracted goods to the purchaser.
- 20.2 Further instruction, if any, shall be as provided in the SCC.

21. Terms and Mode of Payment

21.1 Payment Terms

Payment shall be made through electronic transfer in NEFT/RTGS subject to recoveries, if any, by way of liquidated damages or any other charges as per terms & conditions of contract in the following manner.

A) Payment for Domestic Goods Or Goods of Foreign Origin Located Within India

Payment shall be made in Indian Rupees as specified in the contract in the following manner:

a) On delivery:

- 90% (Ninety %) payment of the contract price shall be paid on receipt of goods in good condition and upon the submission of the following documents:
- (i) Four copies of supplier's invoice showing contract number, goods description, quantity, unit price and total amount;
 - (ii) Final Acceptance as per Section VII in original issued by the authorized representative of the consignee;
 - (iii) Two copies of packing list identifying contents of each package;
 - (iv) Inspection certificate issued by the user concerned department, if applicable as per the contract.

- (v) Performance Bank Guarantee of 10% order value from any scheduled bank valid upto 60 days beyond of date of expiry of warranty period.

B) Payment for Imported Goods:

Payment for foreign currency portion shall be made in the currency as specified in the contract in the following manner:

a) On Shipment:

90% payment shall be released against presentation of shipping documents against submission of performance Bank Guarantee of 10% order value valid for a period of 68 (as per requirement) months from the date of supply order and the same should be essentially submitted within 15 days of issue of supply order.

Or

90% payment will be released against presentation of shipping documents & balance 10% payment will be released after satisfactory Installation certificate issued by the user department and against submission of Performance Bank Guarantee of 10% order value valid for a period of 62 (As per requirements) months from the dated of satisfactory Installation certificate issued by the user department.

The bidders also submit the documents specified hereunder:

- (i) Four copies of supplier's invoice showing contract number, goods description, quantity, unit price and total amount;
 - (ii) Original and four copies of the negotiable clean, on-board Bill of Lading/ Airway bill , marked freight pre paid and four copies of non-negotiable Bill of Lading/Airway bill;
 - (iii) Four Copies of packing list identifying contents of each package;
 - (iv) Insurance Certificate as per GCC Clause 11 and documents also to be submitted for payment of LC confirming that dispatch documents has already been sent to all concerned as per the contract within 24 hours;
 - (v) Manufacturer's/Supplier's warranty certificate;
 - (vi) Inspection certificate issued by the nominated inspection agency, if applicable as per contract;
 - (vii) Manufacturer's own factory inspection report and
 - (viii) Certificate of country of origin issued by Chamber of Commerce or counter signed by Chamber of Commerce.
- b) Payment of Incidental Costs till consignee site & Incidental Services (including Installation & Commissioning, Supervision, Demonstration and Training) will be paid in Indian Rupees to the Indian Agent after issue of final acceptance certificate by the consignee.**
- c) Payment of Indian Agency Commission:**
- Indian Agency commission will be paid to the manufacturer's agent in the local currency for an amount in Indian rupees indicated in the relevant Price Schedule (as per prevailing rate of exchange ruling on the date of Contract) and shall not be subject to further escalation / exchange variation. Payment shall be paid in Indian Rupees to the Indian Agent after issue of final acceptance certificate by the consignee.

The Indian Agency Commission will be paid to the Indian agents only after submission of demurrage & delivery order charges, if applicable.

C) Payment of Turnkey, if any:

Turnkey payment will be made to the manufacturer's agent in Indian rupees indicated in the relevant Price Schedule (as per prevailing rate of exchange ruling on the date of Contract) and shall not be subject to further escalation / exchange variation. Payment shall be made in Indian Rupees to the Indian Agent after issue of final acceptance certificate by the consignee.

D) Payment for Annual Comprehensive Maintenance Contract Charges:

The consignee will enter into CMC with the supplier at the rates as stipulated in the contract. The payment of CMC will be made on annual basis after satisfactory completion of said contract period, duly certified by the consignee on receipt of bank guarantee for an amount equivalent to 2.5 % of the cost of the equipment as per contract in the prescribed format given in Section XV valid till 2 months after expiry of entire CMC period. The B.G. for CMC will be applicable in case of equipment cost is more than Rs.10 lakhs.

- 21.2 The supplier shall not claim any interest on payments under the contract.
- 21.3 Where there is a statutory requirement for tax deduction at source, such deduction towards income tax and other tax as applicable will be made from the bills payable to the Supplier at rates as notified from time to time.
- 21.4 Irrevocable & non – transferable LC shall be opened, However, if the supplier requests specifically to open confirmed LC, the extra charges would be borne by the supplier. If LC is required to be extended and/or amended for reasons not attributable to the purchaser/consignee, the charges thereof shall be borne by the supplier.
- 21.5 The payment shall be made in the currency / currencies authorised in the contract.
- 21.6 The supplier shall send its claim for payment in writing, when contractually due, along with relevant documents etc., duly signed with date, to respective consignees.
- 21.7 While claiming payment, the supplier is also to certify in the bill that the payment being claimed is strictly in terms of the contract and all the obligations on the part of the supplier for claiming that payment has been fulfilled as required under the contract.
- 21.8 While claiming reimbursement of duties, taxes etc. (like sales tax, excise duty, custom duty) from the Purchaser/Consignee, as and if permitted under the contract, the supplier shall also certify that, in case it gets any refund out of such taxes and duties from the concerned authorities at a later date, it (the supplier) shall refund to the Purchaser/Consignee forthwith.
- 21.9 In case where the supplier is not in a position to submit its bill for the balance payment for want of receipted copies of Inspection Note from the consignee and the consignee has not complained about the non-receipt, shortage, or defects in the supplies made, balance amount will be paid by the paying authority without consignee's receipt certificate after three months from the date of the preceding part payment for the goods in question, subject to the following conditions:
- (a) The supplier will make good any defect or deficiency that the consignee (s) may report within six months from the date of despatch of goods.
 - (b) Delay in supplies, if any, has been regularized.
 - (c) The contract price where it is subject to variation has been finalized.
 - (d) The supplier furnishes the following undertakings:

“I/We, _____ certify that I/We have not received back the Inspection Note duly received by the consignee or any communication from the purchaser or the consignee about non-receipt, shortage or defects in the goods supplied. I/We _____ agree to make good any defect or deficiency that the consignee may report within three months from the date of receipt of this balance payment.

21.10 THE TENDERERS ARE REQUESTED TO SUBMIT THE FOLLOWING INFORMATION INVARIABLY TO MAKE PAYMENT THROUGH RTGS/NEFT. “The payment in pursuance of stores supplied/services rendered/work done will be made through RTGS/NEFT & charges incurred for affecting such electronic transfers will be borne by the vendors. The details of present charges for NEFT/RTGS are as under:

NEFT: Up to Rs.1 lakh – Rs.5/- per transaction
Rs. 1 lakh and above

RTGS: & Upto Rs.5 lakh – Rs.25/- per transaction
Rs.5 lakh and above -- Rs.50/- per transaction

To make payment through above said mode, the vendor/supplier/contracts have to submit the following information invariably:

- i. Name of the Beneficiary
- ii. Bank Account No. of the beneficiary
- iii. IFCS Code of the Bank/Branch.
- iv. Permanent Account Number (PAN)

Failing which their quotation is liable to be rejected

22. Delay in the supplier’s performance

22.1 The supplier shall deliver of the goods and perform the services under the contract within the time schedule specified by the Purchaser/Consignee in the Schedule of Requirements and as incorporated in the contract.

22.2 Subject to the provision under GCC clause 26, any unexcused delay by the supplier in maintaining its contractual obligations towards delivery of goods and performance of services shall render the supplier liable to any or all of the following sanctions:

- (i) imposition of liquidated damages,
- (ii) forfeiture of its performance security and
- (iii) termination of the contract for default.

22.3 If at any time during the currency of the contract, the supplier encounters conditions hindering timely delivery of the goods and performance of services, the supplier shall promptly inform the Purchaser/Consignee in writing about the same and its likely duration and make a request to the Purchaser/Consignee for extension of the delivery schedule accordingly. On receiving the supplier’s communication, the Purchaser/Consignee shall examine the situation as soon as possible and, at its discretion, may agree to extend the delivery schedule, with or without liquidated damages for completion of supplier’s contractual obligations by issuing an amendment to the contract.

22.4 When the period of delivery is extended due to unexcused delay by the supplier, the amendment letter extending the delivery period shall, interalia contain the following conditions:

- (a) The Purchaser/Consignee shall recover from the supplier, under the provisions of the clause 23 of the General Conditions of Contract, liquidated damages on the goods and services, which the Supplier has failed to deliver within the delivery period stipulated in the contract.

(b) That no increase in price on account of any ground, whatsoever, including any stipulation in the contract for increase in price on any other ground and, also including statutory increase in or fresh imposition of customs duty, excise duty, sales tax/ VAT, Service Tax and Works Contract Tax or on account of any other tax or duty which may be levied in respect of the goods and services specified in the contract, which takes place after the date of delivery stipulated in the contract shall be admissible on such of the said goods and services as are delivered and performed after the date of the delivery stipulated in the contract.

(c) But nevertheless, the Purchaser/Consignee shall be entitled to the benefit of any decrease in price on account of reduction in or remission of customs duty, excise duty, sales tax/ VAT, Service Tax and Works Contract Tax or any other duty or tax or levy or on account of any other grounds, which takes place after the expiry of the date of delivery stipulated in the contract.

22.5 The supplier shall not dispatch the goods after expiry of the delivery period. The supplier is required to apply to the Purchaser/Consignee for extension of delivery period and obtain the same before despatch. In case the supplier dispatches the goods without obtaining an extension, it would be doing so at its own risk and no claim for payment for such supply and /or any other expense related to such supply shall lie against the purchaser.

23. Liquidated damages

23.1 Subject to GCC clause 26, if the supplier fails to deliver any or all of the goods or fails to perform the services within the time frame(s) incorporated in the contract, the Purchaser/Consignee shall, **without prejudice to other rights and remedies available to the Purchaser/Consignee under the contract, deduct from the contract price, as liquidated damages, a sum equivalent to 0.5% per week of delay or part thereof on delayed supply of goods and/or services until actual delivery or performance subject to a maximum of 10% of the contract price.** Once the maximum is reached Purchaser/Consignee may consider termination of the contract as per GCC 24.

During the above-mentioned delayed period of supply and / or performance, the conditions incorporated under GCC sub-clause 22.4 above shall also apply.

24. Termination for default

24.1 The Purchaser/Consignee , without prejudice to any other contractual rights and remedies available to it (the Purchaser/Consignee), may, by written notice of default sent to the supplier, terminate the contract in whole or in part, if the supplier fails to deliver any or all of the goods or fails to perform any other contractual obligation(s) within the time period specified in the contract, or within any extension thereof granted by the Purchaser/Consignee pursuant to GCC sub-clauses 22.3 and 22.4.

24.2 In the event of the Purchaser/Consignee terminates the contract in whole or in part, pursuant to GCC sub-clause 24.1 above, the Purchaser/Consignee may procure goods and/or services similar to those cancelled, with such terms and conditions and in such manner as it deems fit and the supplier shall be liable to the Purchaser/Consignee for the extra expenditure, if any, incurred by the Purchaser/Consignee for arranging such procurement.

24.3 Unless otherwise instructed by the Purchaser/Consignee, the supplier shall continue to perform the contract to the extent not terminated.

25. Termination for insolvency

25.1 If the supplier becomes bankrupt or otherwise insolvent, the purchaser reserves the right to terminate the contract at any time, by serving written notice to the supplier without any compensation, whatsoever, to the supplier, subject to further condition that such termination will not prejudice or affect the rights and remedies which have accrued and / or will accrue thereafter to the Purchaser/Consignee.

26. Force Majeure

26.1 Notwithstanding the provisions contained in GCC clauses 22, 23 and 24, the supplier shall not be liable for imposition of any such sanction so long the delay and/or failure of the supplier in fulfilling its obligations under the contract is the result of an event of Force Majeure.

26.2 For purposes of this clause, Force Majeure means an event beyond the control of the supplier and not involving the supplier's fault or negligence and which is not foreseeable and not brought about at the instance of , the party claiming to be affected by such event and which has caused the non – performance or delay in performance. Such events may include, but are not restricted to, acts of the Purchaser/Consignee either in its sovereign or contractual capacity, wars or revolutions, hostility, acts of public enemy, civil commotion, sabotage, fires, floods, explosions, epidemics, quarantine restrictions, strikes excluding by its employees, lockouts excluding by its management, and freight embargoes.

26.3 If a Force Majeure situation arises, the supplier shall promptly notify the Purchaser/Consignee in writing of such conditions and the cause thereof within twenty one days of occurrence of such event. Unless otherwise directed by the Purchaser/Consignee in writing, the supplier shall continue to perform its obligations under the contract as far as reasonably practical, and shall seek all reasonable alternative means for performance not prevented by the Force Majeure event.

26.4 If the performance in whole or in part or any obligation under this contract is prevented or delayed by any reason of Force Majeure for a period exceeding sixty days, either party may at its option terminate the contract without any financial repercussion on either side.

26.5 In case due to a Force Majeure event the Purchaser/Consignee is unable to fulfil its contractual commitment and responsibility, the Purchaser/Consignee will notify the supplier accordingly and subsequent actions taken on similar lines described in above sub-paragraphs.

27.1 Termination for convenience

27.2 The Purchaser/Consignee reserves the right to terminate the contract, in whole or in part for its (Purchaser's/Consignee 's) convenience, by serving written notice on the supplier at any time during the currency of the contract. The notice shall specify that the termination is for the convenience of the Purchaser/Consignee. The notice shall also indicate interalia, the extent to which the supplier's performance under the contract is terminated, and the date with effect from which such termination will become effective.

27.3 The goods and services which are complete and ready in terms of the contract for delivery and performance within thirty days after the supplier's receipt of the notice of termination shall be accepted by the Purchaser/Consignee following the contract terms, conditions and prices. For the remaining goods and services, the Purchaser/Consignee may decide:

- a) To get any portion of the balance completed and delivered at the contract terms, conditions and prices; and / or
- b) To cancel the remaining portion of the goods and services and compensate the supplier by paying an agreed amount for the cost incurred by the supplier towards the remaining portion of the goods and services.

28. Governing language

28.1 The contract shall be written in English language following the provision as contained in GIT clause 4. All correspondence and other documents pertaining to the contract, which the parties exchange, shall also be written accordingly in that language.

29. Notices

29.1 Notice, if any, relating to the contract given by one party to the other, shall be sent in writing or by cable or telex or facsimile and confirmed in writing. The procedure will also provide the sender of the notice, the proof of receipt of the notice by the receiver. The addresses of the parties for exchanging such notices will be the addresses as incorporated in the contract.

29.2 The effective date of a notice shall be either the date when delivered to the recipient or the effective date specifically mentioned in the notice, whichever is later.

30. Resolution of disputes

30.1 If dispute or difference of any kind shall arise between the Purchaser/Consignee and the supplier in connection with or relating to the contract, the parties shall make every effort to resolve the same amicably by mutual consultations.

30.2 If the parties fail to resolve their dispute or difference by such mutual consultation within twenty-one days of its occurrence, then, unless otherwise provided in the SCC, either the Purchaser/Consignee or the supplier may give notice to the other party of its intention to commence arbitration, as hereinafter provided the applicable arbitration procedure will be as per the Arbitration and Conciliation Act, 1996 of India. In the case of a dispute or difference arising between the Purchaser/Consignee and a domestic Supplier relating to any matter arising out of or connected with the contract, such dispute or difference shall be referred to the sole arbitration of an officer in the Ministry of Law and Justice, appointed to be the arbitrator by the Director, AIIMS. The award of the arbitrator shall be final and binding on the parties to the contract subject to the provision that the Arbitrator shall give reasoned award in case the value of claim in reference exceeds Rupees One lakhs (Rs.1,00,000/-).

30.3 **Venue of Arbitration:** The venue of arbitration shall be New Delhi, India.

31. Applicable Law

The contract shall be governed by and interpreted in accordance with the laws of India for the time being in force.

32. General/ Miscellaneous Clauses

Genuine equipments and instruments etc., should be supplied. Tenderers should indicate the source of supply i.e. name & address of the manufacturers from whom the items are to be imported, country of origin, country of Shipment etc.

32.1 Nothing contained in this Contract shall be constructed as establishing or creating between the parties, i.e. the Supplier/its Indian Agent/CMC Provider on the one side and the Purchaser on the other side, a relationship of master and servant or principal and agent.

- 32.2 Any failure on the part of any Party to exercise right or power under this Contract shall not operate as waiver thereof.
- 32.3 The Supplier shall notify the Purchaser/Consignee /the Government of India of any material change would impact on performance of its obligations under this Contract.
- 32.4 Each member/constituent of the Supplier/its Indian Agent/CMC Provider, in case of consortium shall be **jointly and severally liable** to and responsible for all obligations towards the Purchaser/Consignee/Government for performance of contract/services including that of its Associates/Sub Contractors under the Contract.
- 32.5 The Supplier/its Indian Agent/CMC Provider shall at all times, indemnify and keep indemnified the Purchaser/Government of India against all claims/damages etc. for any infringement of any Intellectual Property Rights (IPR) while providing its services under CMC or the Contract.
- 32.6 The Supplier/its Agent/CMC Provider shall, at all times, indemnify and keep indemnified the Purchaser/Consignee/Government of India against any claims in respect of any damages or compensation payable in consequences of any accident or injury sustained or suffered by its employees or agents or by any other third party resulting from or by any action, omission or operation conducted by or on behalf of the supplier/its associate/affiliate etc.
- 32.7 All claims regarding indemnity shall survive the termination or expiry of the contract.

SECTION – V

SPECIAL CONDITIONS OF CONTRACT (SCC)

The following Special Conditions of Contract (SCC) will apply for this purchase. The corresponding clauses of General Conditions of Contract (GCC) relating to the SCC stipulations have also been incorporated below.

These Special Conditions will modify/substitute/supplement the corresponding (GCC) clauses.

Whenever there is any conflict between the provision in the GCC and that in the SCC, the provision contained in the SCC shall prevail.

SECTION - VI

SCHEDULE OF REQUIREMENTS

Part I

Schedule No.	Brief Description of Goods	Quantity	Consignee	Amount of Bid Security (in Rs. or for an equivalent amount in foreign currency)
1	Purchase of _____ at AIIMS.	_____	HOD, _____	Rs. _____/-

Legend:

All India Institute of Medical Sciences, Ansari Nagar, New Delhi-110 029
INDIA.

Part II: Required Delivery Schedule:

a) For Indigenous goods or for imported goods if supplied from India:

4-6 weeks from the date of place of order to deliver at consignee site. The date of delivery means delivery at consignee site (Bidders may quote earlier delivery period).

b) For Imported goods directly from abroad:

Six (6) months from the date of opening of irrevocable Letter of Credit for shipment.

The installation/commissioning (as per the requirement given in technical specifications at Section VII) of ordered good(s) shall be carried out by the successful bidder within two months time from the date of delivery of equipment/receipt of the equipment and the date of making available the site (by the Consignee), whichever is later.

Part III: Scope of Incidental Services:

Installation & Commissioning, Supervision, Demonstration, Trial run and Training etc. as specified in GCC Clause 13

Part IV:

Turnkey (if any) as per details in Technical Specification.

Part V:

Comprehensive Maintenance Contract (CMC) as per details in Technical Specification.

Part VI: Required Terms of Delivery and Destination.

a) For Domestic Goods Or of Foreign Origin Located Within India/Goods to be imported and offered against payment in Indian Rupees:

The bidders are required to quote their rates for the indigenous Goods or for the imported to be supplied from India on **delivery at Consignee Site** – Specified in the List of Requirements.

Insurance (local transportation and storage) would be borne by the Supplier from warehouse to the consignee warehouse.

b) For Imported goods directly from abroad:

The bidders are required to quote their rates for the Goods to be imported from outside India, on CIP [New Delhi International Airport/ ICD Tuglakabad/Patparganj basis] giving breakup of the price as per the Proforma prescribed in the Price Schedule.

Insurance (local transportation and storage) would be extended and borne by the Supplier from warehouse to the consignee warehouse

SECTION-VII

IMPORTANT TERMS AND CONDITIONS

GENERAL POINTS:

1. Warranty:

- a) **The bidders must quote for _____ years Comprehensive Warranty** as per Conditions of Contract of the TE document for complete equipment (**as mentioned in page No.32**) and Turnkey Work (if required) from the date of satisfactory installation, commissioning, trial run & handing over of equipment to the concerned user department.
- b) The warranty charges shall not be quoted separately.
- c) 95% up time Warranty of complete equipment with extension of Warranty period by double the downtime period on 24 (hrs) X 7 (days) X 365 (days) basis.
- d) All software updates should be provided free of cost during Comprehensive Warranty period.

2. After Sales Service:

After sales service centre should be available at the city of Institution on 24 (hrs) X 7 (days) X 365 (days) basis. Complaints should be attended properly, maximum within 8 hrs. The service should be provided directly by Bidder/Indian Agent. Undertaking by the Principals that the spares for the equipment shall be available for at least 10 years from the date of supply of equipment.

3. Training:

On Site training to Doctors/ Technicians/ staff is to be provided by Principal/Indian Agents (if they have the requisite know-how) for operation and maintenance of the equipment to the satisfaction of the user department.

4. Annual Comprehensive Maintenance Contract (CMC) of subject equipment:

- a) The cost of Comprehensive Maintenance Contract (CMC) which includes preventive maintenance including testing & calibration as per technical/ service /operational manual of the manufacturer, labour and spares, after satisfactory completion of Warranty period may be quoted for next **05 (as per tender requirement)** years on yearly basis for complete equipment (**as mentioned in page No.32.**).
- b) The cost of CMC may be quoted along with taxes applicable on the date of Tender Opening. The taxes to be paid extra, to be specifically stated. In the absence of any such stipulation the price will be taken inclusive of such taxes and no claim for the same will be entertained later.
- c) **Cost of CMC will also be added for Ranking/Evaluation purpose.**
- d) Before commencement of CMC period, the suppliers shall furnish a Performance Bank Guarantee for 2.5 % of the cost of the equipment (as per Section XV) valid till 2 months extra after expiry of entire CMC period. The payment of CMC will be made on yearly basis after satisfactory completion of said period duly certified by end user. The Performance Bank Guarantee for CMC will be applicable in case of equipment cost is more than Rs.10 lakhs.

- e) There will be 95% uptime warranty during CMC period on 24 (hrs) X 7 (days) X 365 (days) basis, with penalty, to extend CMC period by double the downtime period.
- f) All software updates should be provided free of cost during CMC.
- g) Failure of the above [4. f)] by the supplier, may lead to the forfeiture of the Bank Guarantee for Annual CMC.
- h) The payment of CMC will be made on annual basis after satisfactorily completion of said period.

Turnkey:

Turnkey is indicated in the technical specification of the respective items, wherever required. The Bidder shall examine the existing site where the equipment is to be installed, in consultation with HOD of concerned user department. Turnkey details of each equipment are given at the end of Technical Specification, if applicable. The Bidders to quote prices indicating break-up of prices of the Machine and Turnkey Job of each equipment. The Turnkey costs may be quoted in Indian Rupee and the same will also be added for Ranking Purpose.

The taxes to be paid extra, to be specifically stated. In the absence of any such stipulation the price will be taken inclusive of such duties and taxes and no claim for the same will be entertained later.

The Turnkey Work should completely comply with AERB requirement, if any.

Section – VIII

Quality Control Requirements

(Proforma for equipment and quality control employed by the manufacturer(s))

Tender Reference No.

Date of opening

Time

Name and address of the Bidder:

Note: All the following details shall relate to the manufacturer(s) for the goods quoted for.

- 01 Name of the manufacturer
 - a. full postal address
 - b. full address of the premises
 - c. telegraphic address
 - d. telex number
 - e. telephone number
 - f. fax number

- 02 Plant and machinery details
- 03 Manufacturing process details
- 04 Monthly (single shift) production capacity of goods quoted for
 - a. normal
 - b. maximum

- 05 Total annual turn-over (value in Rupees)
- 06 Quality control arrangement details
 - a. for incoming materials and bought-out components
 - b. for process control
 - c. for final product evaluation
- 07 Test certificate held
 - a type test
 - b BIS/ISO certification
 - c CE/FDA approved
 - d any other
- 08 Details of staff
 - a. technical
 - b skilled
 - c unskilled

Signature and seal of the Bidder

Section – IX

Qualification Criteria

1. **The Bidder must be a Manufacturer or its authorized Agent. Sub-authorization is not acceptable.**

2. **The Bidder shall furnish a brief write-up, packed with adequate data explaining and establishing his available capacity/capability (both technical and financial) to perform the Contract (if awarded) within the stipulated time period, after meeting all its current/present commitments. The Bidder shall also furnish details of Equipment and Quality Control in the enclosed Section VIII.**

3. **Notwithstanding anything stated above, the Purchaser reserves the right to assess the Bidder's capability and capacity to perform the contract satisfactorily before deciding on award of Contract, should circumstances warrant such an assessment in the overall interest of the Purchaser.**

4. **The Purchaser reserves the right to ask for a free demonstration of the quoted equipment at a pre determined place acceptable to the purchaser for technical acceptability as per the tender specifications, before the opening of the Price bid failing which their bid shall be liable to be rejected.**

PROFORMA 'A'

PROFORMA FOR PERFORMANCE STATEMENT

(For the period of last five years)

Tender Reference No. : _____

Date of opening : _____

Time : _____

Name and address of the Bidder : _____

Name and address of the manufacturer : _____

Order placed by (full address of Purchaser/Consignee)	Order number and date	Description and quantity of ordered goods and services	Value of order (Rs.)	Date of completion of Contract		Remarks indicating reasons for delay if any	Have the goods been functioning Satisfactorily (attach documentary proof)**
				As per contract	Actual		
1	2	3	4	5	6	7	8

Signature and seal of the Bidder

** The documentary proof will be a certificate from the consignee/end user with cross-reference of order no. and date in the certificate along with a notarized certification authenticating the correctness of the information furnished. If at any time, information furnished is proved to be false or incorrect, the earnest money furnished will be forfeited.

SECTION – X
TENDER FORM

Date _____

To,

**The ‘ _____,
All India Institute of Medical Sciences
Ansari Nagar,
New Delhi-110 029.**

Ref. Your TE document No. _____ dated _____

I/We, the undersigned hereby agree to all the terms and conditions, stipulated by the AIIMS, in this connection including delivery, warranty, penalty etc. against above said No. _____, dated _____ (if any). We now offer to supply and deliver _____ (Description of goods and services) in conformity with your above referred document.

If our tender is accepted, we undertake to supply the goods and perform the services as mentioned above, in accordance with the delivery schedule specified in the List of Requirements.

We further confirm that, if our tender is accepted, we shall provide you with a performance security of required amount in an acceptable form in terms of GCC clause 5, read with modification, if any, in Section - V – “Special Conditions of Contract”, for due performance of the contract.

We agree to keep our tender valid for acceptance as required in the GIT clause 20, read with modification, if any in Section - III – “Special Instructions to Tenderer” or for subsequently extended period, if any, agreed to by us. We also accordingly confirm to abide by this tender up to the aforesaid period and this tender may be accepted any time before the expiry of the aforesaid period. We further confirm that, until a formal contract is executed, this tender read with your written acceptance thereof within the aforesaid period shall constitute a binding contract between us.

We further understand that you are not bound to accept the lowest or any tender you may receive against your above-referred tender enquiry.

We confirm that we do not stand deregistered/banned/blacklisted by any Govt. Authorities/organization.

We confirm that we fully agree to the terms and conditions specified in above mentioned TE document, including amendment/ corrigendum, delivery, warranty, penalty etc if any.

(Signature with date)
(Name and designation) Duly authorised to sign tender for and on behalf of

SECTION – XI PRICE SCHEDULE

A) PRICE SCHEDULE FOR DOMESTIC GOODS OR GOODS OF FOREIGN ORIGIN LOCATED WITHIN INDIA OR GOODS TO BE IMPORTED AND SUPPLIED AGAINST PAYMENT IN INDIAN RUPEES

1 Schedule	2 Brief Description of Goods	3 Country of Origin	4 Quantity (Nos.)	5 Price per unit (Rs.)							6 Total Price (at Consignee Site) basis (Rs.)
				Ex - factory/ Ex - warehouse /Ex-showroom /Off - the shelf (a)	Excise Duty (if any) [%age & value] (b)	Sales Tax/ VAT(if any) [%age & value] (c)	Packing and Forwarding charges (d)	Inland Transportation, loading/ unloading and Incidental costs till consignee's site (e)	Incidental Services (including Installation & Commissioning, Supervision, Demonstration and Training) at the Consignee's site (f)	Unit Price (at Consignee Site) basis (g) =a+b+c+d+e+f	
Total				Tender price				in		Rupees:	

In words: _____

Note: -

1. If there is a discrepancy between the unit price and total price THE UNIT PRICE shall prevail.
2. The charges for Annual CMC after warranty shall be quoted separately as per Section – XI – Price Schedule C
3. The Bidder must quote price for “GOODS TO BE IMPORTED AND SUPPLIED AGAINST PAYMENT IN INDIAN RUPEES” after having taken in to account, the provision of Custom Duty Exemption Certificate (CDEC) by the Purchaser, as per Customs Tariff Act.

Name _____

Business Address _____

Place: _____

Signature of Tenderer _____

Date: _____

Seal of the Tenderer _____

SECTION – XI PRICE SCHEDULE
PRICE SCHEDULE FOR GOODS TO BE IMPORTED FROM ABROAD

B)

1	2	3	4	5				6
Schedule	Brief Description of Goods	Country of Origin	Quantity (Nos.)	Price per unit (Currency)				Total price on CIP Named Port of Destination + Insurance (local transportation and storage) 4X 5 (d)
				FOB price at port/ airport of Lading (a)	Carriage & Insurance (port of loading to port of entry) and other Incidental costs** (b)	Incidental Services (including Installation & Commissioning, Supervision, Demonstration and Training) at the Consignee's site** (c)	Unit Price on CIP Named Port of Destination + Extended Insurance (local transportation and storage) (d) = a+b+c	

** To be paid in Indian Currency (Rs.)

Total Tender price in foreign currency: _____

In words: _____

Note: -

1. If there is a discrepancy between the unit price and total price THE UNIT PRICE shall prevail.
2. The charges for Annual CMC after warranty shall be quoted separately as per Section – XI – Price Schedule C
3. The Tenderer will be fully responsible for the safe arrival of the goods at the named port of entry in good condition as per terms of CIP as per INCOTERMS, if applicable.

Indian Agent:

Indian Agency Commission - ____% of FOB

Signature of Tenderer _____

Place: _____

Date: _____

SECTION – XI PRICE SCHEDULE

Name _____
 Business Address _____
 Signature of Tenderer _____
 Seal of the Tenderer _____

C) **PRICE SCHEDULE FOR ANNUAL COMPREHENSIVE MAINTENANCE CONTRACT AFTER WARRANTY PERIOD:**

1	2	3	4					5
Tender No.	DESCRIPTION OF GOODS	QUANTITY. (Nos.)	Annual Comprehensive Maintenance Contract Cost for Each Unit year wise*.					Total Annual Comprehensive Maintenance Contract Cost for 5 Years [3 x (4a+4b+4c+4d+4e)]
			1 st	2 nd	3 rd	4 th	5 th	
			a	b	c	d	e	

* After completion of Warranty period.

Service Tax: Whether extra or inclusive, if extra, indicates the rate_____.

NOTE:-

1. In case of discrepancy between unit price and total prices, THE UNIT PRICE shall prevail.
2. The cost of Comprehensive Maintenance Contract (CMC) which includes preventive maintenance including testing & calibration as per technical/ service /operational manual, labour and spares, after satisfactory completion of Warranty period may be quoted for next 5 years on yearly basis for complete equipment and Turnkey (if any).
3. The cost of CMC may be quoted along with taxes applicable on the date of Tender Opening. The taxes to be paid extra, to be specifically stated. In the absence of any such stipulation the price will be taken inclusive of such taxes and no claim for the same will be entertained later.
4. Cost of CMC will be added for Ranking/Evaluation purpose.
5. The payment of CMC will be made as per clause GCC clause 21.1 (D).
6. The uptime warranty will be 98 % on 24 (hrs) X 7 (days) X 365 (days) basis or as stated in Technical Specification of the TE document.
7. All software updates should be provided free of cost during CMC period.
8. The stipulations in Technical Specification will supersede above provisions
9. The supplier shall keep sufficient stock of spares required during Annual Comprehensive Maintenance Contract period. In case the spares are required to be imported, it would be the responsibility of the supplier to import and get them custom cleared and pay all necessary duties.

Place: _____

Date: _____

SECTION – XI PRICE SCHEDULE

Name _____
 Business Address _____
 Signature of Bidder _____
 Seal of the Bidder _____

D)

PRICE SCHEDULE FOR TURNKEY

Schedule No.	BRIEF TURNKEY DESCRIPTION OF GOODS	CONSIGNEE	Turnkey price

Service Tax: Whether extra or inclusive, if extra, indicates the rate_____.

Note: -

1. The cost of Turnkey as per Technical Specification (Section VII) may be quoted on lump sum along with taxes applicable on the date of Tender Opening. The taxes to be paid extra, to be specifically stated. In the absence of any such stipulation the price will be taken inclusive of such taxes and no claim for the same will be entertained later.
2. Cost of Turnkey will be added for Ranking/Evaluation purpose.
3. The payment of Turnkey will be made as per clause GCC clause 21.1 (c).
4. The stipulations in Technical Specification will supersede above provisions.

Name_____

Business Address_____

Signature of Bidder_____

Seal of the Bidder_____

Place: _____

Date: _____

SECTION – XII QUESTIONNAIRE

Fill up the Section XVI – Check List for Bidders and enclose with the Tender

1. The bidder should furnish specific answers to all the questions/issues mentioned in the Checklist. In case a question/issue does not apply to a bidder, the same should be answered with the remark “not applicable”.
2. Wherever necessary and applicable, the bidder shall enclose certified copy as documentary proof/ evidence to substantiate the corresponding statement.
3. In case a bidder furnishes a wrong or evasive answer against any of the question/issues mentioned in the Checklist, its tender will be liable to be ignored.

SECTION – XIII
BANK GUARANTEE FORM FOR EMD

Whereas _____ (hereinafter called the “Bidder”) has submitted its quotation dated _____ for the supply of _____ (hereinafter called the “tender”) against the purchaser’s tender enquiry No. _____ Know all persons by these presents that we _____ of _____ (Hereinafter called the “Bank”) having our registered office at _____ are bound unto _____ (hereinafter called the “Purchaser) in the sum of _____ for which payment will and truly to be made to the said Purchaser, the Bank binds itself, its successors and assigns by these presents. Sealed with the Common Seal of the said Bank this _____ day of _____ 20____. The conditions of this obligation are:

- (1) If the Bidder withdraws or amends, impairs or derogates from the tender in any respect within the period of validity of this tender.
- (2) If the Bidder having been notified of the acceptance of his tender by the Purchaser during the period of its validity:-
 - a) fails or refuses to furnish the performance security for the due performance of the contract.
 - or
 - b) fails or refuses to accept/execute the contract.
 - or
 - c) if it comes to notice that the information/documents furnished in its tender is incorrect, false, misleading or forged

We undertake to pay the Purchaser up to the above amount upon receipt of its first written demand, without the Purchaser having to substantiate its demand, provided that in its demand the Purchaser will note that the amount claimed by it is due to it owing to the occurrence of one or both the two conditions, specifying the occurred condition(s).

This guarantee will remain in force for a period of forty-five days after the period of tender validity and any demand in respect thereof should reach the Bank not later than the above date.

(Signature of the authorised officer of the Bank)

Name and designation of the officer

Seal, name & address of the Bank and address of the Branch

SECTION – XIV
MANUFACTURER’S AUTHORISATION FORM

To

The ‘Director’
All India Institute of Medical Sciences
Ansari Nagar,
New Delhi-29
India.

Dear Sirs,

Ref. Your TE document No _____, dated _____

We, _____ who are proven and reputable manufacturers of _____ (*name and description of the goods offered in the tender*) having factories at _____, hereby authorise Messrs _____ (*name and address of the agent*) to submit a tender, process the same further and enter into a contract with you against your requirement as contained in the above referred TE documents for the above goods manufactured by us.

We further confirm that no supplier or firm or individual other than Messrs. _____ (*name and address of the above agent*) is authorised to submit a tender, process the same further and enter into a contract with you against your requirement as contained in the above referred TE documents for the above goods manufactured by us.

We also hereby extend our full warranty, CMC as applicable as per clause 15 of the General Conditions of Contract, read with modification, if any, in the Special Conditions of Contract for the goods and services offered for supply by the above firm against this TE document.

Yours faithfully,

[Signature with date, name and designation]

for and on behalf of Messrs _____

[Name & address of the manufacturers]

Note: 1. This letter of authorisation should be on the letter head of the manufacturing firm and should be signed by a person competent and having the power of attorney to legally bind the manufacturer.

2. Original letter may be sent.

SECTION – XV

**BANK GUARANTEE FORM FOR PERFORMANCE SECURITY/ CMC
SECURITY**

To

**The ‘Director’,
All India Institute of Medical Sciences
Ansari Nagar,
New Delhi-29.**

WHEREAS _____ (Name and address of the supplier) (Hereinafter called “the supplier”) has undertaken, in pursuance of contract no _____ dated _____ to supply (description of goods and services) (herein after called “the contract”).

AND WHEREAS it has been stipulated by you in the said contract that the supplier shall furnish you with a bank guarantee by a scheduled commercial bank recognised by you for the sum specified therein as security for compliance with its obligations in accordance with the contract;

AND WHEREAS we have agreed to give the supplier such a bank guarantee;

NOW THEREFORE we hereby affirm that we are guarantors and responsible to you, on behalf of the supplier, up to a total of _____ (Amount of the guarantee in words and figures), and we undertake to pay you, upon your first written demand declaring the supplier to be in default under the contract and without cavil or argument, any sum or sums within the limits of (amount of guarantee) as aforesaid, without your needing to prove or to show grounds or reasons for your demand or the sum specified therein.

We hereby waive the necessity of your demanding the said debt from the supplier before presenting us with the demand.

We further agree that no change or addition to or other modification of the terms of the contract to be performed there under or of any of the contract documents which may be made between you and the supplier shall in any way release us from any liability under this guarantee and we hereby waive notice of any such change, addition or modification.

This guarantee shall be valid up to 62 months from the date of satisfactory installation of the equipment i.e. up to ----- (indicate date).

.....
(Signature with date of the authorised officer of the Bank)

.....
Name and designation of the officer

.....
Seal, name & address of the Bank and address of the Branch

SECTION – XVI

CHECKLIST

Name of Bidder:

Name of Manufacturer:

Sl No.	Activity	Yes/ No/ NA	Page No. in the TE document	Remarks
1. a.	Have you enclosed EMD of required amount for the quoted item?			
b.	In case EMD is furnished in the form of Bank Guarantee, has it been furnished as per Section XIII?			
c.	In case Bank Guarantee is furnished, have you kept its validity of one year from the date of opening of Techno Commercial bid?			
2. a.	Have you enclosed duly filled Tender Form as per format in Section X?			
b.	Have you enclosed Power of Attorney in favour of the signatory?			
3. a.	Have you enclosed clause-by-clause technical compliance statement for the quoted goods vis-à-vis the Technical specifications?			
b.	In case of Technical deviations in the compliance statement, have you identified and marked the deviations?			
4. a.	Have you submitted satisfactory performance certificate as per the Proforma for performance statement in Sec. IX of TE document in respect of all orders?			
b.	Have you submitted copy of the order(s) and end user certificate?			
5.	Have you submitted manufacturer's authorization as per Section XIV?			

Sl No.	Activity	Yes/ No/ NA	Page No. in the TE document	Remarks
6.	Have you enclosed equipment catalogue, leaflet, and brochure with full details of quoted equipment?			
7.	Have you submitted prices of goods, turnkey (if any), CMC etc. in the Price Schedule as per Section XI?			
8.	Have you kept validity of their bid 9 months from the date of opening of Technical bid?			
9. a.	In case of Indian Bidder, have you furnished Income Tax Account No. as allotted by the Income Tax Department of Government of India?			
9 b.	In case of Foreign Bidder, have you furnished Income Tax Account No. of your Indian Agent as allotted by the Income Tax Department of Government of India?			
10.	Have you mentioned the name and full address of your Banker (s) along with your Account Number, IFCS Code of the Bank/Branch?			
11.	Have you fully accepted payment terms as per TE document?			
12.	Have you fully accepted delivery period as per TE document?			
13.	Have you submitted the certificate of incorporation?			
14.	Have you accepted the warranty terms as per TE document?			
15.	Have you accepted terms and conditions of TE document?			
16.	Have you furnished documents establishing your eligibility & qualification criteria as per TE documents?			
17.	Have you furnished Annual Report (Balance Sheet and Profit & Loss Account) for last three years prior to the date of Tender opening?			

Sl No.	Activity	Yes/ No/ NA	Page No. in the TE document	Remarks
18.	Have you submitted an affidavit that the firm has not been black listed in the past by any hospital/Organization?			
19.	Have you submitted an affidavit that the firm has no vigilance case/CBI/FEMA case pending against him/supplier (principal).			

N.B.

1. All pages of the Tender should be page numbered and indexed.
2. The Bidder may go through the checklist and ensure that all the documents/confirmations listed above are enclosed in the tender and no column is left blank. If **any** column is not applicable, it may be filled up as NA.
3. It is the responsibility of tendered to go through the TE document to ensure furnishing all required documents in addition to above, if any.

(Signature with date)

**(Full name, designation & address of the person duly authorised sign on behalf of the Bidder)
For and on behalf of**

(Name, address and stamp of the tendering firm)

SECTION -XVII
ALL INDIA INSTITUTE OF MEDICAL SCIENCES
ANSARI NAGAR: NEW DELHI: 110 029

F. No. _____

Name of the Item: Purchase of _____.

Technical Specifications for :

SECTION 3

Schedule of Requirements

(Notes for internal use only)

3.1 The Schedule of Requirements shall be included in the bidding documents by the Purchaser, and shall cover, at a minimum, a description of the goods and services to be supplied and the delivery schedule. The delivery schedule shall clearly indicate the time period within which the successful bidder must deliver the consignment in full from the date of establishment of LC or from the date of contract or from the date of advance payment etc. It should also indicate separately the time period desired for installation and commissioning of the equipment after arrival of the consignment at the premises of the Purchaser.

3.2 The objective of the Schedule of Requirements is to provide sufficient information to enable bidders to prepare their bids efficiently and accurately, in particular, the Price Schedule, for which a form is provided in SECTION 5. In addition, the Schedule of Requirements, together with the Price Schedule, should serve as a basis in the event of quantity variation at the time of award of contract pursuant to ITB Clause 1.36.

3.3 The date or period for delivery should be carefully specified, taking into account

- (a) The implications of delivery terms stipulated in the Instructions to Bidders pursuant to the **Incoterms** rules (i.e., EXW, or CIF, CIP, FOB, FCA terms—that “delivery” takes place when goods are delivered to the carriers), and
- (b) The date prescribed herein from which the delivery obligations start (i.e., notice of award, contract signature, opening or confirmation of the letter of credit, date of releasing advance payment etc.).

SECTION 4

Specifications and allied Technical details

4.1 The purpose of the Technical Specifications (TS), is to define the technical characteristics of the Goods and Related Services required by the Purchaser. The Purchaser shall prepare the detailed TS take into account that:

(a) The TS constitute the benchmarks against which the Purchaser will verify the technical responsiveness of bids and subsequently evaluate the bids. Therefore, well -defined TS will facilitate preparation of responsive bids by bidders, as well as examination, evaluation, and comparison of the bids by the Purchaser.

(b) The TS shall require that all goods and materials to be incorporated in the goods be new, unused, and of the most recent or current models, and that they incorporate all recent improvements in design and materials, unless provided for otherwise in the contract.

(c) Standardizing technical specifications may be advantageous, depending on the complexity of the goods and the repetitiveness of the type of procurement. Technical Specifications should be broad enough to avoid restrictions on workmanship, materials, and equipment commonly used in manufacturing similar kinds of goods.

(d) Standards for equipment, materials, and workmanship specified in the Bidding Documents shall not be restrictive. Recognized international standards should be specified as much as possible. Reference to brand names, catalogue numbers, or other details that limit any materials or items to a specific manufacturer is not permitted,. When other particular standards or codes of practice are referred to in the TS, whether from India or from other countries, a statement should follow that other authoritative standards that ensure at least a equivalent quality, than the standards mentioned in the TS, will also be acceptable.

(e) Reference to brand names and catalogue numbers must be avoided .

(f) Technical Specifications shall be fully descriptive of the requirements in respect of, but not limited to the following:

(a) Standards of materials & workmanship required for production & mfg. of Goods.

(b) Detailed tests required.

(c) Other additional work &/or Related Services required to achieve full delivery/ completion.

(d) Detailed activities to be performed by Supplier & participation of the Purchaser thereon.

(e) List of detailed functional guarantees required to be covered by the Warranty and the specification of the penalty to be applied in the event that such guarantees are not met.

(g) The TS shall specify all essential technical and performance characteristics and requirements, including guaranteed or acceptable maximum or minimum values, as appropriate.

(h) When the Purchaser requests that the Bidder provides in its bid a part or all of the Technical Specifications, technical schedules, or other technical information, the Purchaser shall specify in detail the nature and extent of the required information and the manner in which it has to be presented by the Bidder in its bid.

(i) Specifications should aim at procuring the latest technology and avoid procurement of obsolete goods. Specifications should have emphasis on factors like efficiency, optimum fuel/power consumption, use of environmental-friendly materials, reduced noise and emission levels, low maintenance cost etc. Further, the specifications should not be too restrictive as the aim should be to attract reasonable number of competitive Tenderers. (j) The specifications must not contain any brand name, make or catalogue number of a particular manufacturer and if the same is unavoidable due to some compelling reasons, it should be followed by the words “or equivalent”.

(k) All dimensions incorporated in the specifications shall be indicated in metric units.

(l) Wherever necessary, the written specifications should be supplemented with drawings for additional clarity etc.

SECTION 5

Price Schedule Forms

This format may be drawn by the Hosp./Centres/Departments as per the tender requirements. However an indicative structure of the Price Schedule Forms is provided hereunder for reference.

Table of Contents

Sl. No.	Clause
5.1.	Price schedule for Goods being offered from abroad.
5.2.	Price schedule for Goods offered from India.

PRICE SCHEDULE FOR GOODS BEING OFFERED FROM ABROAD

Name of the Bidder _____

TENDER No. _____

1	2	3	4	5	6*	7*	8*	9*				
Sl. No.	Item Description	Country of origin	Quantity	Unit	Unit price	Total price (5x6)	Charges for Insurance &	Total price (7+8)				
	transportation to port//place of destination (named port of shipment)	(named port of shipment)										
		FOB	FCA	FOB	FCA	CIF						
		(named port of shipment)	(named place of delivery)									

Ocean Air

Note:. Total Bid price in foreign currency _____

(a) Indian agents name & address _____ in words.

(b) Installation, commissioning & training charges, _____ Signature of Bidder
if any _____ Name

(c) Cost of Spares _____ Business
Address _____

(d) The Indian agent's commission shall be paid in Indian Rupees only based on the Exchange Rate prevailing on the date of negotiation of documents in accordance with clause 22.1 of GCC.

(e) The cost of optional items shall be indicated separately.

PRICE SCHEDULE FOR GOODS BEING OFFERED FROM INDIA

Name of the Bidder _____

Tender No. _____

1 2 3 4 5 6 7 8 9 10 11

Sl. No.	Item Description of origin	Country	Unit	Quantity	Ex -Works.	Total price	VAT &	Packing &
	Charges for Installation,							
	Ex- warehouse, ware house, like excise up to				Ex - other taxes forwarding inland			
	Ex-show room off the shelf price price contract is any (inclusive of all taxes already paid)				station of insurance up And training dispatch, if to Lab./Instt. Charges, If any			
	5x6							

Total Bid price in foreign currency _____

in words.

Signature of Bidder

Name _____

Business

Address _____

Note :

(a) The cost of optional items shall be indicated separately.

(b) Cost of Spares _____

SECTION 6

Qualification requirements (Pre-Qualification/Eligibility Criteria)

(Requirements not included in the text below shall not be used in the evaluation of the Bidder's qualifications. The qualification requirements should be judiciously chosen so as not to stifle competition amongst potential bidders depending upon the requirements, these may be modified, changed, replaced or new conditions added.)

- (a) Financial Capability: The Bidder shall furnish documentary evidence that it meets the following financial requirement(s): *[list the requirement(s)]*
- (b) Experience and Technical Capacity: The Bidder shall furnish documentary evidence to demonstrate that it meets the following experience requirement(s): *[list the requirement(s)]*
- (c) Usage Requirement: The Bidder shall furnish documentary evidence to demonstrate that the Goods it offers meet the following usage requirement: *[list the requirement(s)]*
- (e) The bidder shall furnish documentary evidence to demonstrate that the bidder satisfies the bidders' eligibility criteria.
- (f) The Bidder should be a manufacturer/authorized representative of a manufacturer who must have designed, manufactured, tested and supplied the equipment(s) similar to the type specified in the "Technical Specification". The MAF must be enclosed with the technical bid. Such equipments must be of the most recent series/models incorporating the latest improvements in design. The models should be in successful operation for at least one year as on date of Bid Opening.
- (g) The Indian Agents of foreign manufacturers/ suppliers quoting directly on behalf of their principals for items appearing in the restricted list of the current EXIM policy of the Govt. of India are registered with DGS&D.
- (h) To maintain sanctity of tendering system one Indian agent cannot represent two different foreign principals in one tender.

SECTION 7

Contract form

Contract No. _____

Date: _____

THIS CONTRACT AGREEMENT is made

the [*insert: number*] day of [*insert: month*], [*insert: year*].

BETWEEN

(1) The All India Institute of Medical Sciences coming under the Ministry of Health & Family Welfare of the Government of India having its registered office at Ansari Nagar, New Delhi-110001, India represented by _____ [*insert complete name and address of Purchaser*] (hereinafter called “the Purchaser”), and

(2) [*insert name of Supplier*], a corporation incorporated under the laws of [*insert: country of Supplier*] and having its principal place of business at [*insert: address of Supplier*] (hereinafter called “the Supplier”).

WHEREAS the Purchaser invited bids for certain Goods and ancillary services, viz., [*insert brief description of Goods and Services*] and has accepted a Bid by the Supplier for the supply of those Goods and Services in the sum of [*insert Contract Price in words and figures, expressed in the Contract currency(ies)*] (hereinafter called “the Contract Price”).

NOW THIS AGREEMENT WITNESSETH AS FOLLOWS:

1. In this Agreement words and expressions shall have the same meanings as are respectively assigned to them in the Conditions of Contract referred to.
2. The following documents shall constitute the Contract between the Purchaser and the Supplier, and each shall be read and construed as an integral part of the Contract:
 - (a) This Contract Agreement
 - (b) Special Conditions of Contract
 - (c) General Conditions of Contract
 - (d) Technical Requirements (including Schedule of Requirements and Technical Specifications)
 - (e) The Supplier’s Bid and original Price Schedules
 - (f) The Purchaser’s Notification of Award
 - (g) [*Add here any other document(s)*]

3. This Contract shall prevail over all other Contract documents. In the event of any discrepancy or inconsistency within the Contract documents, then the documents shall prevail in the order listed above.

4. In consideration of the payments to be made by the Purchaser to the Supplier as hereinafter mentioned, the Supplier hereby covenants with the Purchaser to provide the Goods and Services and to remedy defects therein in conformity in all respects with the provisions of the Contract.

5. The Purchaser hereby covenants to pay the Supplier in consideration of the provision of the Goods and Services and the remedying of defects therein, the Contract Price or such other sum as may become payable under the provisions of the Contract at the times and in the manner prescribed by the Contract.

IN WITNESS whereof the parties hereto have caused this Agreement to be executed in accordance with the laws of Union of India on the day, month and year indicated above.

For and on behalf of the All India Institute of Medical Sciences

Signed: *[insert signature]*
in the capacity of *[insert title or other appropriate designation]*
in the presence of *[insert identification of official witness]*

Signed: *[insert signature]*
in the capacity of *[insert title or other appropriate designation]*
in the presence of *[insert identification of official witness]*

For and on behalf of the Supplier

Signed: *[insert signature of authorized representative(s) of the Supplier]*
in the capacity of *[insert title or other appropriate designation]*
in the presence of *[insert identification of official witness]*

SECTION 8

Other standard forms

Table of Contents

Sl. No.	Name
1.	Bidder Information Form
2.	Manufacturers' Authorization Form
3	Bid Security Form
4.	Performance Statement Form
5.	Deviation Statement Form
6.	Service Support Detail Form
7.	Bid Form
8.	Performance Security Form
9.	Acceptance Certificate Form

Bidder Information Form

a) [The Bidder shall fill in this Form in accordance with the instructions indicated below. No alterations to its format shall be permitted and no substitutions shall be accepted. This should be done of the letter head of the firm]

Date: *[insert date (as day, month and year) of Bid Submission]*

Tender No.: *[insert number from Invitation for bids]*

Page 1 of _____ pages

1. Bidder's Legal Name *[insert Bidder's legal name]*
2. In case of JV, legal name of each party: *[insert legal name of each party in JV]*
3. Bidder's actual or intended Country of Registration: *[insert actual or intended Country of Registration]*
4. Bidder's Year of Registration: *[insert Bidder's year of registration]*
5. Bidder's Legal Address in Country of Registration: *[insert Bidder's legal address in country of registration]*
- (1) 6. Bidder's Authorized Representative Information
Name: *[insert Authorized Representative's name]*
Address: *[insert Authorized Representative's Address]*
Telephone/Fax numbers: *[insert Authorized Representative's telephone/fax numbers]*
Email Address: *[insert Authorized Representative's email address]*
7. Attached are copies of original documents of: *[check the box(es) of the attached original documents]*
Articles of Incorporation or Registration of firm named in 1, above, in accordance with ITB Sub-Clauses 4.1 and 4.2.

Signature of Bidder _____

Name _____

Business Address

MANUFACTURERS' AUTHORIZATION FORM

[The Bidder shall require the Manufacturer to fill in this Form in accordance with the instructions indicated. This letter of authorization should be on the letterhead of the Manufacturer and should be signed by a person with the proper authority to sign documents that are binding on the Manufacturer.]

Date: *[insert date (as day, month and year) of Bid Submission]*

Tender No.: *[insert number from Invitation For Bids]*

To: *[insert complete name and address of Purchaser]*

WHEREAS

We *[insert complete name of Manufacturer]*, who are official manufacturers of *[insert type of goods manufactured]*, having factories at *[insert full address of Manufacturer's factories]*, do hereby authorize *[insert complete name of Bidder]* to submit a bid the purpose of which is to provide the following Goods, manufactured by us *[insert name and or brief description of the Goods]*, and to subsequently negotiate and sign the Contract.

We hereby extend our full guarantee and warranty in accordance with Clause 21 of the General Conditions of Contract, with respect to the Goods offered by the above firm.

Signed: *[insert signature(s) of authorized representative(s) of the Manufacturer]*

Name: *[insert complete name(s) of authorized representative(s) of the Manufacturer]*

Title: *[insert title]*

Duly authorized to sign this Authorization on behalf of: *[insert complete name of Bidder]*

Dated on _____ day of _____, _____ *[insert date of signing]*

BID SECURITY FORM

Whereas _____
(hereinafter called the tenderer”) has submitted their offer dated _____
_____ for the supply of _____
_____ (hereinafter called the tender”)

Against the purchaser’s tender enquiry No. _____
KNOW ALL MEN by these presents that WE _____
of _____ having our registered office at _____
_____ are bound unto _____ (hereinafter called the “Purchaser”)

In the sum of -----
For which payment will and truly to be made to the said Purchaser, the Bank binds itself, its successors and assigns by these presents. Sealed with the Common Seal of the said Bank this _____ day of _____ 20_____.

THE CONDITIONS OF THIS OBLIGATION ARE:

- (1) If the tenderer withdraws or amends, impairs or derogates from the _____ Tender in any respect within the period of validity of this tender.
- (2) If the tenderer having been notified of the acceptance of his tender by the Purchaser during the period of its validity:-
 2. If the tenderer fails to furnish the Performance Security for the due Performance of the contract.
 3. Fails or refuses to accept/execute the contract.

WE undertake to pay the Purchaser up to the above amount upon receipt of its first written demand, without the Purchaser having to substantiate its demand, provided that in its demand the Purchaser will note that the amount claimed by it is due to it owing to the occurrence of one or both the two conditions, specifying the occurred condition or conditions.

This guarantee will remain in force upto and including 45 days after the period of tender validity and any demand in respect thereof should reach the Bank not later than the above date.

(Signature of the authorized officer of the Bank)
Name and designation of the officer Seal, name & address of the Bank and address of the Branch .

PERFORMANCE STATEMENT FORM
(For a period of last 3 years)

Name of the Firm.....

Order Placed by (full address of Purchaser)	Order No. and date ordered	Description and quantity of equipment as per certificate from the purchaser/Consignee)	Value of order	Date of completion of delivery contract	Date of actual delivery.	Remarks indicating reasons for late satisfactory? (Attach a mail address)	Has the equipment been installed?	Contact person alongwith Telephone No., FAX No. and e-mail address
---	----------------------------	--	----------------	---	--------------------------	---	-----------------------------------	--

Signature and Seal of the manufacturer/Bidder.....

Place :

Date :

DEVIATION STATEMENT FORM

1) The following are the particulars of deviations from the requirements of the tender specifications:

CLAUSE DEVIATION REMARKS
(INCLUDING
JUSTIFICATION)

Place:

Date:

Signature and seal of the
Manufacturer/Bidder

NOTE:

1) Where there is no deviation, the statement should be returned duly signed with an endorsement indicating “No Deviations”.

SERVICE SUPPORT DETAIL FORM

Sl. No. Nature of training imparted
List of similar type equipments serviced in the past 3 years
Address, Telephone Nos. , Fax Nos. and e mail address

Signature and Seal of the manufacturer/Bidder.....

Place :

Date :

Bid Form

a) [The Bidder shall fill in this Form in accordance with the instructions indicated No alterations to its format shall be permitted and no substitutions shall be accepted.]

Date: [insert date (as day, month and year) of Bid Submission]

Tender No.: [insert number from Invitation for Bids]

Invitation for Bid No.: [insert No of IFB]

To: [insert complete name of Purchaser]

We, the undersigned, declare that:

(a) We have examined and have no reservations to the Bidding Documents, including Addenda No.: [insert the number and issuing date of each Addenda];

(b) We offer to supply in conformity with the Bidding Documents and in accordance with the Delivery Schedules specified in the Schedule of Requirements the following Goods and Related Services [insert a brief description of the Goods and Related Services];

(c) The total price of our Bid, excluding any discounts offered in item (d) below, is: [insert the total bid price in words and figures, indicating the various amounts and the respective currencies];

(d) The discounts offered and the methodology for their application are:

Discounts. *If our bid is accepted, the following discounts shall apply. [Specify in detail each discount offered and the specific item of the Schedule of Requirements to which it applies.]*

(e) Our bid shall be valid for the period of time specified in ITB Sub-Clause 20.1, from the date fixed for the bid submission deadline in accordance with ITB Sub-Clause 24.1, and it shall remain binding upon us and may be accepted at any time before the expiration of that period;

(f) If our bid is accepted, we commit to obtain a performance security in accordance with ITB Clause 41 and GCC Clause 13 for the due performance of the Contract; c)

(g) The following commissions, gratuities, or fees have been paid or are to be paid with respect to the bidding process or execution of the Contract: [insert complete name of each Recipient, its full address, the reason for which each commission or gratuity was paid and the amount and currency of each such commission or gratuity]

Name of Recipient Address Reason Amount (If none has been paid or is to be paid, indicate "none.")

(k) We understand that this bid, together with your written acceptance thereof included in your notification of award, shall constitute a binding contract between us, until a formal contract is prepared and executed.

(l) We understand that you are not bound to accept the lowest evaluated bid or any other bid that you may receive.

Signed: [insert signature of person whose name and capacity are shown] In the capacity of [insert legal capacity of person signing the Bid Submission Form] d)

Name: [insert complete name of person signing the Bid Submission Form] Duly authorized to sign the bid for and on behalf of: [insert complete name of Bidder]

e) Dated on _____ day of _____, _ [insert date of signing]

Acceptance certificate form

No. _____

Dated: _____

M/s _____

Sub: Certificate of commissioning of equipment (Computer/Server, etc.)

1. This is to certify that the equipment as detailed below has/have been received in good condition along with all the standard and special accessories (subject to remarks in Para 2). The same has been installed and commissioned.

- (a) Contract No. _____ Date _____
- (b) Description of the equipment _____
- (c) Name of the consignee _____
- (d) Scheduled date of delivery of the consignment to the Lab./Instts. _____
- (e) Actual date of receipt of consignment by the Lab./Instts. _____
- (f) Scheduled date for completion of installation/commissioning _____
- (g) Actual date of completion of installation/commissioning _____
- (h) Penalty for late delivery (at Lab./Instts. level) Rs. _____
- (i) Penalty for late installation (at Lab./Instts. level) Rs. _____

Details of accessories/items not yet supplied and recoveries to be made on that account:

Sl. No.	Description	Amount to be recovered
---------	-------------	------------------------

1.	The acceptance test has been done to our entire satisfaction.	
----	---	--

The supplier has fulfilled his contractual obligations satisfactorily

or

The supplier has failed to fulfill his contractual obligations with regard to the following:

- (a).....
- (b).....
- (c).....
- (d).....

The amount of recovery on account of failure of the supplier to meet his contractual obligations is as indicated at Sr. No. 3.

For Supplier	For Purchaser
Signature.....	Signature.....
Name.....	Name.....
Designation.....	Designation.....
Name of the firm.....	Name of the Lab./Instt.....
Date.....	Date.....

Glossary of Terms Commonly Used In Stores & Purchase Functions

AAR	Abstract Asset Register
ACASH	ASSOCIATION OF CORPORATION & APEX SOCIETY OF HANDLOOM
AD	Authorized Dealer
Admin	Administration
AMC	Annual Maintenance Contract
API	Application Programming Interface
AWB	Airway Bill
BC	Bankers cheque
BG	Bank Guarantee
B/L	Bill of Lading
BS	Bid security
BIS	Bureau of Indian standards
BPR	Business Process Reengineering
CA	Sanctioning Authority
CAG	Comptroller and Auditor General of India
CD	Compact Disk
CIF	Cost Insurance Freight
COSP	Controller of Stores & Purchase
COTS	Commercial Off The Shelf
CPF	Contributory Provident Fund
CPWD	Central Public Works Department
CRC	Central Receipt Cell
CS	Comparative Statement
CFR	Cost & Freight
CIF	Cost Insurance & Freight
COFA	Controller of Finance & Accounts
COA	Controller of Administration
CPT	Carriage Paid To
CIP	Carriage and Insurance Paid to
CTC	Certified True Copy
CTE	Chief Technical Examiner
CV	Curriculum Vitae
CVC	Central Vigilance commission
CVO	Chief Vigilance Officer
DA	Dealing Assistant
DA	Dearness Allowance
DAF	Delivered at Frontier
DES	Delivered Ex. Ship

DEQ Delivered Ex Quay
DDU Delivered Duty unpaid
DDP Delivered Duty paid

DD Demand Draft
DDO Dealing Disbursing Officer
DO Drawing officer
DGS&D Directorate General of Supply and Disposal
DIR Divisional Inventory Record
DMIS Document Management Information System
DP Decision Package
DSR Daily Stock Register
DTP Desk top Publishing
DU Divisional Unit
DVD Digital Video Disk
EC Engineering Cell
EOI Expression of Interest
ECF External Cash Flow
ECS Electronic Clearing System
EIS Executive Information System
EMD Earnest Money Deposit
EXIM Export & import
EXW Ex. works
ERP Enterprise Resource Planning
ESD Engineering Services Division
ESTB Electronic Stamped Tender Box
F&A Finance & Accounts
F&AO Finance and Accounts Officer
FD Fixed Deposit
FOR Free on Rail
FOB Free on board
FDD Foreign Documents Division
FIFO First In First Out
FCA Free Carrier
FAS Free alongside Ship
FOB Free on Board
FP Function Point
FPS Foot-Pound-Second System of Measurement
FVC bill Fully Vouched Contingent bill
GB Gigabytes
GLP Good Laboratory Practices
GMP Good Manufacturing Practices

GB AIIMS - Governing Body AIIMS
GDA Gross Deposits and advances
GFR General Finance Rules
GOI Government of India
Govt. Government
GPF General Provident Fund

GR Goods Receipt
GCC General Conditions of Contract
GUI Graphical User Interface
HIW Hardware
HOD Head Of Division
HQ Head Quarters
HR High Rates
HRD Human Resource Department
HTTP Hyper Text Transfer Protocol
HVAC Heating Ventilatio0n and Air conditioning
ICR Issue Control Register
ICT Information an d Communication Technology
IDS Intrusion Detection System/Server
IEEE Institute of Electrical and Electronics Engineers
ILP Inter Lab Projects
ISO International Standards organization
IMPACT Integrated Management and Project Accounting
INR Indian Rupees
IO Indenting Officer
IP Integrity Pact
IGM Import General Manifest
IPR Intellectual Property Rights
ICC International Chamber of Commerce
IEMs Independent External Monitors
ISO International Standards Organization
IST Indian Standard Time
IT Information Technology
ITJ India Trade Journal
JMS JAVA Message Service
JS Joint Secretary
KVIC Khadi & Village Industries commission
L1 Lowest Quote
L2 Second Lowest Quote
Centre AIIMS Centre
LC Letter of Credit

LTE Limited Tender Enquiry
LIC Life Insurance Corporation
LIFO Last In First Out
LOI Letter if Intent
LR Low Rates
LTC Leave Travel Concession
MAS Material At Site
MOF Ministry of Finance
MB Megabytes

MIS Management Information System
MLP Major Lab Projects
NCCF National Consumer Cooperative Federation
NDC No Demand Certificate
NIT Notice Inviting Tenders
NICSI National Informatics Centre Services Inc.
NTFS Windows NT File System
OEM Original Equipment Manufacturer
OLP Other Lab Projects
OM Office Memorandum
OB Objection Book
PAC Proprietary Article Certificate
PC Purchase Committee
PAN Permanent Account Number
PIN Postal index number
PIC Pre Indent Conference
PBC Pre bid conference
PAR Problem Analysis Report
PBG Performance Bank Guarantee
PDF Portable Document Format
PF Provident Fund
PS Performance Security
PSU Public Sector unit
PQ Pre-qualification
PIR Personal Inventory Record
PKI Public Key Infrastructure
PL Project Leader
PME Project Monitoring and Evaluation
PO Purchase Order
PP2002 Purchase Procedure 2002
R&D Research & Development
R/C Rate contract

RBI Reserve Bank of India
RDBMS Relational Data Base Management System
RFQ Request for Quotation
RFP Request for proposal
ROL Re-Order Level
ROP Reasonableness of prices
RR Railway Receipt
SA Sanctioning Authority
SBC Specific Brand Certificate
S/W Software
SCC Special conditions of Contract
SPC Stores Purchase Committee

SEI-CMM Software Engineering Institute, Capability Maturity Model
SIV Stores Issue Voucher
SLA Service Level Agreement
SSI Small Scale Industries
SMTP Simple Mail Transfer Protocol
SO Section Officer
SOP Standard operating Procedure
STE Single Tender Enquiry
SOAP Simple Object Access Protocol
TSEC Technical Specification and Evaluation Committee
T.O Technical Officer
TOC Tender opening Committee
TSC Technical Sub-committee
UNCITRAL United Nations Commission on International Trade Law
