



Telemedicine Society of India

Procurement Policy and Procedures Manual

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Authors

Sub Committee Procurement Policy

Preface

The Procurement Policy and Procedure Manual details the Telemedicine Society of India's (TSI) procurement policy, procedures, guidelines, processes and provides further guidance for carrying out procurement of Goods, services, works, consultancy, non consultancy and others for TSI. This document is prepared by the Sub Committee constituted by the President, TSI based on the decision of the Executive Committee meeting held on 14th January 2022. The Committee members include Dr. Krishna Kumar, Dr. Suchitra Mankar, Dr. Sudarshan K, Dr. Umashankar S.

Contents

Preface	3
List of Abbreviations	5
Introduction	6
Purpose	7
Scope and Application	8
Principles	9
Best Practices for Procurement	9
Definitions	11
Procurement Rules and Regulations	14
Sourcing	15
Request for Expression of Interest (REOI)	16
Pre-Qualification of Vendors	17
Pre-qualification is recommended when:	17
Types of procurement and bidding system	17
Direct Procurement without Quotation	18
Request of Quotation / Direct procurement with quotation	19
Open Tender Enquiry (OTE)	21
Request for Proposal (RFP)	22
Limited Tender Enquiry – LTE	24
Special Limited Tender Enquiry (SLTE)	24
Proprietary Article Certificate (PAC)	25
Global Tender Enquiry (GTE)	25
Rate Contract	26
Bidding Systems	26
Solicitation Documents/ Preparing bid documents, publication, receipt and opening of bids	29
Evaluation of Bids /Tenders and Award of Contract	30
Cancellation of Procurement Process/Rejection of All Bids/Re-tender	37
Contract Management	39
Dispute Resolution	41
Closure of Contract	42

List of Abbreviations

TSI Telemedicine Society of India

MoU Memorandum of Understanding

EC Executive Committee

RFP Request of Proposal

RFQ Request for Quotation

LTE Limited Tender Enquiry

GTE Global Tender Enquiry

RFI Request for Information

REOI Request for Expression of Interest

OTE Open Tender Enquiry

SLTE Special Limited Tender Enquiry

PAC Proprietary Article Certificate

RC Rate Contrac

Introduction

The Procurement Policy governs the procurement of goods, works, non-consulting services and consulting services required for a Project that are to be financed by the TSI or any external agency or Government organisation. The Procurement Policy applies to all stages of the procurement cycle of TSI such as Project/Goods/Services etc.

Procurement is the process of acquiring goods and services by purchasing, renting, or leasing. The procurement process includes preparing specifications and solicitations. The procurement process also includes evaluating bids and proposals, awarding contracts, and contract administration.

Procurement of goods and services for the TSI must be conducted in an open and competitive environment to ensure that prices paid are fair and reasonable. Purchasing activities include obligations for proper transaction documentation, fiscal responsibility, ethical behaviour, adherence to central and state government regulations, and compliance with TSI by-laws and policies.

Purpose

The purpose of this policy and guidelines is to outline step-by step procurement procedures that would govern the procurement, processes and sourcing strategies to ensure that the goods, works, services, consulting and non-consulting services that TSI acquires are systematic, well documented, transparent, specific, time bound and cost-effective, easy to administer as well as for efficient decision making for TSI. These procurement guidelines shall ensure the necessary supplies of goods, works, services, consulting and non-consulting services at the right time, in right quantity, of right quality, at the right place, and at the right cost.

No other party, including the service provider(s), vendor(s), contractor(s) shall derive any right from these guidelines. The respective rights and obligations of the TSI and the party, including the service provider(s), agent(s), vendor(s), contractor(s) of the goods, services, consulting, training for any project shall be governed by the specific documents/agreements/MoU signed by TSI.

This Procurement Policy and procurement manual serves as operational guidance for all members of TSI, Officer bearers and staff involved in any stage of the procurement process by describing procurement (and related) processes and procedures. This manual is expected to be applied with professional discretion and expertise by procurement practitioners and other offices involved in the acquisition and procurement process in accordance with the applicable regulations, rules and policies of the TSI.

This policy is mandatory and guidelines must be followed at all times for any type of procurement. These procedures and guidelines are based on the Manual for Procurement of Goods 2017, Ministry of Finance, Department of Expenditure, Government of India.

Scope and Application

This procurement policy and guidelines applies to all TSI officers, members, staffs, officers as well as any service provider(s), agent(s), vendor(s), contractor(s) seeking to acquire, acquiring and/or managing ongoing contractual relationships, and who are directly or indirectly involved in the provision of services and/or goods, and /or consulting and/ or non consulting to or on behalf of TSI.

The TSI's Executive committee is responsible for ensuring the effective implementation of this Policy. Without prejudice to the foregoing and subject to any limitations contained in this Policy, the Executive committee may delegate in writing to other officers such authority as considered appropriate to the implementation of this Policy.

The Executive Committee is expected to apply their professional discretion and expertise or hire professional expert for decision making if the EC TSI desires.

Principles

These principles are the basic foundation of TSI procurement activities. TSI officers, members, staffs, as well as any service provider(s), agent(s), vendor(s), contractor(s) are expected to comply with these procurement principles in performing their work with a high level of care and professionalism

- Fair Competition / Equality of opportunity
- Conflict of Interest
- Cost-effectiveness / Best Value for Money
- Integrity
- Timeliness
- Transparency
- Effective national / international competition
- Equitable treatment to the suppliers, contractors and service providers
- Dispute Resolution System
- Quality service delivery

Best Practices for Procurement

To achieve and ensure the above basic principles while procuring in TSI, following best practices shall be followed:

1. The text of the requirement/tender /RFP/RFQ/LTE/GTE 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.
2. The specifications of the required goods /Systems/ services should be framed giving sufficient details in such a manner that it is neither too elaborately restrictive as to deter potential bidders to increase the cost of purchase nor too sketchy to leave scope for sub-standard supply.
3. The text of the requirement/tender /RFP/RFQ/LTE/GTE document should clearly mention the eligibility criteria to be met by the bidders such as minimum level of experience, past performance, technical capability, solution proposed, certifications, resources proposed etc..
4. The procedure for preparing and submitting, deadline, date, time & place of opening, (requirement of **earnest money and performance security** if any),

parameters for determining responsiveness of bidders/vendors evaluating of tender RFP/RFQ/LTE/GTE and criteria for acceptance of tender and conclusion of contract should be incorporated in clear terms in the requirement/tender RFP/RFQ/LTE/GTE document.

5. Bidders should be evaluated based on the terms of the criteria that has already incorporated in the bidding document/ requirement/tender /RFP/RFQ/LTE/GTE document, based on which bids have been received. Any new additional conditions or criteria that were not incorporated in the bid document should not be brought into consideration while evaluating the tenders. If any changes in specifications or conditions or criteria are incorporated, then there must be a retender.
6. Sufficient time should be allowed to the bidders to prepare and submit their bid or documents.
7. There shall not be unreasonable restrictions to stifle competition amongst potential bidders.
8. Office bearers of TSI shall not bid for TSI procurement.
9. The name of the successful bidder to whom the supply contract is awarded should be appropriately notified through various channels, specifically on website and also should be communicated to all the bidders on email.

Definitions

1. “Bid” (including the term ‘tender’, ‘offer’, ‘quotation’ or ‘proposal’ in certain contexts) means an offer to supply goods, services or execution of works made in accordance with the terms and conditions set out in a document inviting such offers;
2. “Bidder” (including the term ‘tenderer’, ‘consultant’ or ‘service provider’ in certain contexts) means any eligible person or firm or company, including a consortium (that is an association of several persons, or firms or companies), participating in a procurement process with TSI;
3. “(Standard) Bid(ding) documents” (including the term ‘tender (enquiry) documents’ or ‘Request for Proposal Documents’ – RFP documents in certain contexts) means a document issued by the TSI, including any amendment thereto, that sets out the terms and conditions of the given procurement and includes the invitation to bid. A Standard (Model) Bidding Document is the standardised template to be used for preparing Bidding Documents after making suitable changes for specific procurement;
4. “Bidder registration document” means a document issued by TSI, including any amendment thereto, that sets out the terms and conditions of registration proceedings and includes the invitation to register;
5. “Bid security” (including the term ‘Earnest Money Deposit’(EMD), in certain contexts) means a security from a bidder securing obligations resulting from a prospective contract award with the intention to avoid: the withdrawal or modification of an offer within the validity of the bid, after the deadline for submission of such documents; failure to sign the contract or failure to provide the required security for the performance of the contract after an offer has been accepted; or failure to comply with any other condition precedent to signing the contract specified in the solicitation documents.;
6. “Competent authority” means the officer(s) who finally approves the decision. Here it would be the President, Secretary or anyone approved by the EC.
7. “Consultancy services” means a one-off (that is, not repetitive and not routine) services, involving project specific intellectual and procedural processes using established technologies and methodologies but the outcomes – which are primarily of non-physical nature – may not be standardised and would vary from one consultant to another. It may include small works or supply of goods or programs or training etc. which are incidental or consequential to such services;

8. "Goods" includes all articles, material, commodity, medicines, furniture, fixtures, raw material, consumables, spare parts, instruments, machinery, equipment, vehicles, computers and its accessories, other categories of goods or intangible, products like technology transfer, licenses, patents or other intellectual properties, books, publications, periodicals, procured or otherwise acquired by TSI. Procurement of goods may include certain small work or some services, which are incidental or consequential to the supply of such goods, such as transportation, insurance, installation, commissioning, training and maintenance;
9. "Inventory" means any material, component or product that is held for use at a later time;
10. "Invitation to (pre-)qualify" means a document including any amendment thereto published by the TSI inviting offers for pre-qualification from prospective bidders;
11. "Invitation to register" means a document including any amendment thereto published by the TSI inviting offers for bidder registration from prospective bidders;
12. "Non-consultancy services" includes services of physical and procedural nature and are bid and contracted on the basis of performance of a measurable physical output, and for which performance standards can be clearly identified and consistently applied such as drilling, aerial photography, satellite imagery, mapping and similar operations. It may include small works or supply of goods which are incidental or consequential to such services;
13. " Notice inviting tenders" (including the term 'Invitation to bid' or 'request for proposals' in certain contexts) means a document and any amendment thereto published or notified by the TSI, which informs the potential bidders that it intends to procure goods, services and/or works;
14. "Pre-qualification (bidding) procedure" means the procedure set out to identify, prior to inviting bids, the bidders that are qualified to participate in the procurement;
15. "Pre-qualification document" means the document including any amendment thereto issued by TSI, which sets out the terms and conditions of the prequalification bidding and includes the invitation to pre-qualify;
16. "Procurement" means acquisition by way of purchase, lease, license or otherwise, either using society funds or any other source of funds (e.g. grant, loans, gifts, private investment etc.) of goods, works or services or any combination thereof, including award of Public Private Partnership projects, , whether directly or through an agency with which a contract for procurement services is entered into,

but does not include any acquisition of goods, works or services without consideration, and the term “procure” or “procured” shall be construed accordingly;

17. “Procurement contract” (including the terms ‘Purchase Order’ or ‘Supply Order’ or ‘Withdrawal Order’ or ‘Work Order’ or ‘Consultancy Contract’ or ‘Contract for Services’ under certain contexts), means a formal legal agreement in writing relating to the subject matter of procurement, entered into between the TSI and the supplier, service provider or contractor on mutually acceptable terms and conditions and which are in compliance with all the relevant provisions of the laws of the country. The term “contract” will also include “rate contract” and “framework contract”;
18. “Procurement process” means the process of procurement extending from the assessment of need; issue of invitation to pre-qualify or to register or to bid, as the case may be; the award of the procurement contract; execution of contract till closure of the contract;
19. “Prospective bidder” means anyone likely or desirous to be a bidder;
20. “Rate contract” (or the term ‘framework agreement’ in certain contexts) means an agreement between TSI and one or more bidders, valid for a specified period of time, which sets out terms and conditions under which specific procurements can be made during the term of the agreement and may include an agreement on prices which may be either predetermined or be determined at the stage of actual procurement through competition or a predefined process allowing their revision without further competition;
21. “Registered Supplier” means any supplier who is on a list of registered suppliers of the TSI.
22. “Service” means any subject matter of procurement other than goods or works, except those incidental or consequential to the service, and includes physical, maintenance, professional, intellectual, training, consultancy and advisory services or any other service classified or declared as such by TSI but does not include appointment of an individual made under any law, rules, regulations or order issued in this behalf;
23. “Works” refer to any activity, sufficient in itself to fulfil an economic or technical function.
24. “Vendors” refer to any registered company/society/ organization/proprietor who wish to do business with TSI.

Sourcing

Sourcing is the process of identifying suitable suppliers, including vendors who could provide the required goods or services. The sourcing process also provides valuable information about products and specifications.

Two ways of sourcing

- Supply market research and analysis, including through internal and external sources
- Advertisement of business opportunities through sourcing methods such as Request for Information (RFI), REOI, and pre-qualification.

Market research is the process of collecting and analyzing information about industry sector capabilities and overall market supply. It helps to identify goods, services, and vendors, assists in the development of technical specifications, TORs, SOWs and allows the collection of product and pricing information on available technology, solutions, etc

Market research is an essential exercise conducted by TSI Official in the quest to satisfy the Organization's needs and is instrumental for any successful sourcing process, particularly if the goods or services have not been procured previously. When done through means such as seminars or events, market research may also be considered an outreach activity which assists the TSI in disseminating information about its requirements and identifying new sources of supply.

Market research can be done through the use of external and/or internal sources. Market research should not rely solely on any one of the below sources, as several can be used in conjunction before deciding on the solicitation approach. The outcome of the market research, i.e., a list of suitable vendors, types of products available, etc. should be documented and used when necessary.

Procurement Rules and Regulations

TSI may require spending its budget to procure goods and services for smooth functioning, or discharging the duties or for fulfilling the objectives of the society.

The EC shall make its own arrangements for procurement of goods and services under the Delegation of Financial Power Rules, which have to be exercised in conformity with the 'Procurement Guidelines' described below.

Pre-procurement information may be obtained by the following methods

- RFI –Request for Information
- EOI – Request for Expression of Interest (EOI)

Types of procurement and bidding system

- Direct Procurement without Quotation
- Request for Quotation (RFQ)
- Open Tender Enquiry (OTE);
- Request of Proposal (RFP)
- Limited Tender Enquiry – (LTE)
- Proprietary Article Certificate (PAC)
- Rate Contract (RC)

RFI –Request for Information

The RFI is an instrument to conduct a market survey to obtain information that can be used to identify available or potential solutions/suppliers to fulfill identified needs. RFIs may include information on cost and delivery times and are generally executed prior to finalizing the Statement of Works, Terms of Reference, or technical specifications.

The information received in response to an RFI is not used for the purpose of qualifying vendors. Primarily, it helps identify generic descriptions of available or potential alternatives for fulfilling a defined requirement or outcome, as well as the possible costs and delivery time. The RFI is oriented toward seeking a technical alternative, option, solution, or cost estimate, rather than a direct response in the form of an offer from the market or industry.

The RFI shall be advertised on the TSI's website, and in any other media considered appropriate by the EC. It should be advertised or distributed in a manner that, depending on the nature and complexity of the requirement would lead to the most beneficial responses.

Request for Expression of Interest (REOI)

A Request for EOI is an advertisement prepared by TSI , in consultation with the expert members, to identify vendors that wish to participate in a solicitation. Vendors are requested to express interest by a specified deadline by submitting the detailed information requested in the REOI, for example, to demonstrate experience and qualifications in provision of the relevant goods/services. The information provided by interested vendors is assessed, and vendors are considered for inclusion on the List of Invitees.

An REOI is a cost-effective method to identify suitable vendors. However, it requires the allocation of additional time, as vendors should be given a sufficient interval to respond to the REOI. Depending on the complexity and nature of the goods or services being procured, a recommended minimum of ten working days should be granted for responses. When shorter deadlines are specified, or when the TSI EC waives the posting of an REOI for Request for Proposals (RFPs) and Invitations to Bid (ITBs), the reasons must be properly explained and documented.

Evaluation of REOI responses must be performed by the TSI EC, Or the Sub Committee appointed by EC as appropriate. In addition, the EC may actively approach potential vendors, identified through analysis of the supply market or registered in the TSI database, to seek their interest to participate in the forthcoming solicitation.

The REOI shall be advertised on the TSI's website, and in any other media considered appropriate by the EC. It should be advertised or distributed in a manner that, depending on the nature and complexity of the requirement would lead to the most beneficial responses.

Pre-Qualification of Vendors

Pre-qualification is a formal method of assessing vendors against pre-determined criteria, and only vendors that meet established criteria are invited to a tender (shortlist). Therefore, pre-qualification exercises should be applied only in such instances where the need to limit the List of Invitees has been clearly determined and the EC has authorized the pre-qualification exercise. This is done through the REOI process. The use of a pre-qualification exercise should be noted in the Source Selection Plan of the relevant solicitation, including the rationale for using the pre-qualification exercise.

Pre-qualification is recommended when:

1. The high costs of preparing detailed bids could discourage competition (such as custom-designed equipment, design and build projects, or specialized services).
2. The requirement involves complex technical components for which the vendor needs to have minimum technical capability and capacity to complete the works to the required quality standard such as construction works;
3. As determined necessary to achieve the best outcome for the procurement process for highly complex or otherwise appropriate needs, subject to approval by the EC;

Direct Procurement without Quotation

Direct procurement of goods without formal quotations is normally done for the smallest value procurements. This is also called petty purchase. This is a direct form of purchasing undertaken by TSI and not conducted via a formal solicitation. Direct procurement is used for procuring readily available, off-the-shelf or standard specification goods or services up to or equal INR 10000, or simple works or services up to or equal to the value of INR 10,000.

Director Procurement shall be resorted to meeting emergency / day to day requirements based on the regular / experienced vendors.

- Under no circumstances shall the requirements be split into multiple solicitations or combined between RFQs and Direct Procurements for the same or related requirement to avoid a formal method of solicitation. If the estimated value of the requirements exceeds INR 10,000 (or the equivalent amount as per the exchange rate), the requirement shall be submitted for procurement action through the established procedures.
- If the requirement is recurrent and direct procurement being used repeatedly within the same year to buy similar requirements, efforts should be made to aggregate the requirements and conduct a bidding exercise, with the aim to replace the use of direct procurement with a Rate Contract or any other suitable procedure as soon as possible.
- Cash advances should not be made. Advance payment terms should not be accepted.

Open Tender Enquiry (OTE)

OTE is a formal method of solicitation where vendors/Consultants are invited to submit a bid for the provision of goods or services. OTE, an attempt is made to attract the widest possible competition by publishing the requirement simultaneously on the designated websites, newspapers or social media or any other media. This is the default mode of procurement and gives the best value for money.

The systemic cost of this procedure may be high enough to be unviable for smaller value procurements.

OTE is normally used when the requirements for goods/services are

- i) simple and straight forward,
- ii) can be expressed well quantitatively and qualitatively at the time of solicitation,

- iii) All common use requirements with clear specifications and straight forward way.
- iv) Procurements exceeding the threshold of Rs. 10 lakh
- v) For requirements that ordinarily available in open market but it is necessary to evaluate competitive offers to decide the most suitable and economical option available.
- vi) When requirements are not available from known sources or sources are presently limited and need to be broad based.
- vii) Even for procurements below Rs 10 lakhs OTE mode may be used, if EC determines it appropriate to the particularities of the requirement.
- viii) For TSI procurements this method must be used and also preferred method unless there is an exception to the normal process.

OTE should define the minimum requirements to be met, or outline a range of acceptable requirements. During the evaluation, a bid is compliant based on pass/fail criteria.

Should the OTE process result in a contract value exceeding the threshold for informal methods of solicitation, the EC shall consider and determine on a case-by-case basis whether to re-issue the solicitation under the appropriate solicitation method.

If the final contract value exceeds the threshold by a significant amount, or if the contract is not urgently needed, preference should be given to rebid the requirement under the appropriate solicitation method unless there are justifiable reasons not to. Awards are based on the lowest-priced, substantially conforming bid evaluation methodology, including delivery terms, and any other technical requirements stated in the OTE.

Request for Proposal (RFP)/ Request for Quotation (RFQ)

RFP, a formal method of solicitation is used for procurement of goods or services costing more than 10000 INR. .

TSI EC or the Subcommittee appointed by EC prepares Solicitation / Requirement Documents, which describe the Requirement for goods/services and requests the vendors to submit proposals with solutions and associated pricing for the goods or services that is required by TSI.

An evaluation based on the technically suitable lowest offer. In complex procurement activities the tender may be split into two parts ie technical offer and commercial offer (two part tender).

For single part tenders, a RFP requests that bidders submit a technical proposal that offers a solution to the requirements specified in the solicitation or requirement documents and

financial proposal indicating all costs that the bidder will charge in carrying out the technical proposal.

RFP shall be published in the widest possible way such as the TSI website, and other designated websites.

In response to the two part tender, the bidder / vendor must submit the technical and financial proposals in separate sealed envelopes.

The evaluation criteria for both the technical and the financial (i.e. commercial) evaluation factors an RFP are to be explicitly mentioned in the Solicitation / Requirement Documents. Mandatory evaluation criteria (if any) must also be described.

Limited Tender Enquiry - LTE

LTE is Limited competition procurement, where procurement is costing 10001 to 50000 INR with a list of experienced vendors who have supplied similar items to TSI previously.

Proprietary Article Certificate (PAC)

TSI may require certain goods those are proprietary of a specific firm or organisation. Such items, goods are procured only from Original Equipment Manufacturers (OEMs) or manufacturers having proprietary rights (or their authorised dealers/ stockists) against a PAC certificate signed by the appropriate authority.

Negotiations may be called for if required to get prices reduced.

Global Tender Enquiry (GTE)

GTE is similar to OTE but, through appropriate advertising and provision for payment in Foreign Currencies through Letter of Credit, it is aimed at inviting the participation of inter-alia foreign firms.

GTE is procurement mode should be used only in cases where:

- Goods of required specifications/quality are not available within the country and alternatives available in the country are not suitable for the purpose.
- Non-existence of a local branch of the global principal of the manufacturer/vendors/ contractors.

- Requirement for compliance to specific international standards in technical specifications.
- Absence of a sufficient number of competent domestic bidders likely to comply with the required technical specifications, and in case of suspected cartel formation among indigenous bidders.
- GTE tender documents must contain technical specifications which are in accordance with national requirements or else based on an international trade standard
- Procedure shall be as OTE and RFP with two bid system

Rate Contract

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 specified period covered by the Rate Contract. In RC no quantity is mentioned nor is any minimum drawal guaranteed. The Rate Contract is in the nature of a standing offer from the supplier firm. The firm and/or the purchaser are entitled to withdraw/cancel the Rate Contract by serving an appropriate notice on each other giving 15 (fifteen) days time.

Pocurement process

- Indent mentioning the specifications, cost and type of tender.
- Need aspect and approval of indent by EC
- Call for quotations
- Evaluation of quotations
- Selection and approval of the bidder.
- Release of purchase order/ contract
- Receipt of Goods/services
- Receive of invoice and payments as per the purchase order

Bidding Systems

Bidding systems would achieve an appropriate balance between the need for Right Quality, Right Source and the Right Price under different complexities/criticality of Technical requirements and value of procurements. Depending on the complexity and criticality Technical of requirement, Criticality of capability of Source and value of procurement, following types of bidding systems may be used.

All bids are invited together in a single envelope or in multiple envelop system. This bidding system is suitable where technical requirements are simple or moderate; capability of source of supply is not too crucial and the value of procurement is not too high.

Single Part Tender System

Single Part Tender System shall be followed when qualitative requirements and technical specifications are clear, capability of source of supply isn't critical and value of procurement is low or moderate, the single part system, where eligibility, technical/commercial and financial details are submitted together.

The lowest technically suitable bid meeting all the conditions shall be declared as successful.

Two Bid System

Two Bid System shall be followed when technically complex requirements but where capability of source of supply is still not crucial and value of procurement is not low, a two envelop system to be followed.

The bidders should be asked to bifurcate their quotations in two envelops. The first envelop, called the **techno-commercial bid**, contains the eligibility, technical quality and performance aspects, commercial terms and conditions and documents sought in the bid/tender, except the price and relevant financial details. In the second envelop, called the **financial bid**, the price quotation along with other financial details are submitted. Both the envelops are to be submitted together in a sealed outer envelope within the stipulated time.

If required, Technical specification and techno-commercial conditions should be modified, in a pre-bid conference in the two envelop tender and it would be desirable not to invite fresh financial bids after opening of the techno-commercial bids.

The techno-commercial bids are to be opened in the first instance on the bid opening date and time, and scrutinised and evaluated by the sub committee / EC with reference to parameters prescribed in the bid documents and responsive, eligible and technically compliant bidders are decided.

Two Stage Bidding - Expression of Interest / RFP – for Market Exploration

There might be situations where the goods/services to be procured is of complex nature and TSI may not possess the full knowledge of the various technical solutions / services available or the likely sources for such products in the market.

To meet the desired objectives of a transparent procurement that ensures value for money simultaneously ensuring best quality goods / services- it would be prudent to invite a two-stage Expression of Interest (EoI) Bids and proceed to explore the market and to finalise specifications based on technical discussions/presentations with the probable bidders.

RFP/EoI bids may be invited in following situations

- It is not feasible for the TSI to formulate detailed specifications or identify specific characteristics for the subject matter of procurement, without receiving inputs regarding its technical aspects from bidders.
- The character of the subject matter of procurement is subject to rapid technological advances or market fluctuations or both.
- The TSI seeks to enter into a contract for the purpose of research, experiment, study or development, except where the contract includes the production of requirements in quantities sufficient to establish their commercial viability or to recover research and development costs.

The procedure for two stage bidding shall include the following, namely

First stage of the bidding process

- TSI shall invite RFP / EoI bids containing the broad objectives, technical and financial eligibility criteria, terms and conditions of the proposed procurement etc without a bid price.
- On receipt of the RFP/ EoI technical discussions/presentations may be held with the short-listed bidders / vendors, which are prima facie considered technically and financially capable of supplying the material or executing the proposed work, giving equal opportunity to all such bidders / vendors to participate in the discussions.

- During these technical discussions stage the EC / Subcommittee may also add those other stakeholders in the discussions who could add value to the decision making on the various technical aspects and evaluation criteria.
- Based on the discussions/presentations so held, one or more acceptable technical solutions could be decided upon laying down detailed technical specifications for each acceptable technical solution, quality benchmarks, warranty requirements, delivery milestones etc., in a manner that is consistent with the objectives of the transparent procurement.

Second stage of the bidding process

TSI shall invite bids from all those bidders / vendors whose bids at the first stage were not rejected, to present final bid with bid prices in response to a revised set of terms and conditions of the procurement.

Solicitation Documents/ Preparing bid documents, publication, receipt and opening of bids

The text of the bid document should be self-contained and comprehensive without any ambiguity. All essential information, which a bidder needs for sending responsive bid, should be clearly spelt out in the bidding document in simple language. This will also enable the prospective bidders to formulate and send their competitive bids with confidence. A carefully prepared bid document avoids delays and complaints.

The details and complexity of solicitation documents / bid document may vary according to the nature and value of the requirements; each set of bid documents must contain all information and appropriate provisions that are necessary for bidders to understand the TSI's needs and to prepare a competitive offer.

New requirements cannot be introduced, and existing ones cannot be changed after the bid documents have been issued unless amended when required or time to time.

The contents of the bid documents

- Notice Inviting Tender / Bid/ Letter of Invitation /RFP
- Instructions to Bidders
- Eligibility and qualification criteria
- Schedule of requirements
- Statement of Works/Requirements
- Technical specifications
- Quality Assurance
- General Conditions of Contract

- Special Conditions of Contract

Evaluation of Bids/Tenders and Award of Contract

The evaluation of tenders is one of the most significant areas of purchase management and the process must be transparent. All tenders are to be evaluated strictly on the basis of the terms and conditions incorporated in the tender.

TSI process shall include quality, price, technical merit, aesthetic and functional characteristics, environmental characteristics, running costs, cost-effectiveness, after-sales service and technical assistance, delivery date and delivery period or period of completion etc.

No criteria shall be used for evaluation of tenders that cannot be verified.

No hearsay information or hitherto undeclared condition should be brought in while evaluating the tenders.

Care should be taken that preferences provided to any category of bidders on certain specified grounds should not result in single vendor selection.

The aim should be ensure that no tenderer gets undue advantage at the cost of other tenderers and/or at the cost of TSI.

Information relating to evaluation of tenders and the Evaluation Sub Committee deliberations should be confidential and not be shared.

EC may carry out this process or shall appoint an Evaluation Sub Committee (ESC), which shall recommend to EC. EC shall take final decision on the recommendation of the Subcommittee or take its own decision.

Evaluation Sub Committee should comprise of minimum three members from the EC. (Must be Odd numbers only), They may solicit additional information from suitable domain/technical experts to render assistance in evaluation of the bids.

Steps

Once all the bid documents are received

Comparative Statement

ESC should prepare a comparative statement of quotations received in the order in which tenders were opened.

In case of techno-commercial bid comparative statement will have information about deciding responsiveness and eligibility of bids and evaluation of technical suitability of offers.

In case of Financial bid it would have information about rates quoted (including taxes or otherwise), discount, if any, and any other information having implications on ranking of bids etc.

Tenders that do not meet the basic requirements specified in the bid documents are to be treated as unresponsive and ignored.

All tenders received will first be scrutinised by the ESC to see whether the tenders meet the basic requirements as incorporated in the Bid document and to identify unresponsive tenders, if any.

Some important points on the basis of which a tender may be declared as unresponsive and be ignored during the initial scrutiny are:

- The tender is not in the prescribed format or is unsigned or not signed as per the stipulations in the bid document.
- The bidder is not eligible to participate in the bid as per laid down eligibility criteria.
- The tenderer has quoted for goods manufactured by a different firm without the required authority letter from the proposed manufacturer.
- The bid departs from the essential requirements specified in the bidding document.
- Against a schedule in the list of requirements in the tender enquiry, the tenderer has not quoted for the entire requirement as specified in that schedule.
- If, in the price structure quoted for the required goods, there is discrepancy between the unit price and total price (which is obtained by multiplying the unit price by the quantity), the unit price shall prevail and the total price corrected accordingly.
- If there is an error in a total corresponding to the addition or subtraction of sub-totals, the sub-totals shall prevail and the total shall be corrected.
- If there is a discrepancy between words and figures, the amount in words shall prevail.
- Such a discrepancy in an offer should be conveyed to the tenderer asking him to respond by a target date and if the tenderer does not agree to TSI's observation, the tender is liable to be rejected.

- When discrepancies are observed in responsive tenders between the original copy and other copies of the same tender set. In such a case, the text, and so on, of the original copy will prevail.
- -Some Minor Infirmary/Irregularity/Non-conformity may be ignored or brought the notice of tenderer /bidder. -Minor issues may be waived provided they do not constitute any material deviation and financial impact and, also, do not prejudice or affect the ranking order of the tenderers.
- Wherever necessary, observations on such 'minor' issues may be conveyed to the tenderer by registered letter/ speed post, and so on, asking him to respond by a specified date also mentioning therein that, if the tenderer does not conform TSI's view or respond by that specified date, his tender will be liable to be rejected. Depending on the outcome, such tenders are to be ignored or considered further.

Clarification of Bids/Shortfall Documents

During evaluation and comparison of bids, the TSI may, at its discretion, ask the bidder for clarifications on the bid. The request for clarification shall be given in writing by registered/ speed post/e-email, asking the tenderer to respond by a specified date, and also mentioning therein that, if the tenderer does not comply or respond by the date, his tender will be liable to be rejected. Depending on the outcome, such tenders are to be ignored or considered further.

No change in prices or substance of the bid shall be sought, offered or permitted.

No post-bid clarification at the initiative of the bidder shall be entertained.

Evaluation of Responsive Bids and Decision on Award of Contract

All responsive bids are evaluated by the ESC with a view to select the lowest (L1) bidder who meets the qualification criteria and techno-commercial aspects. In case of Single Stage Single Envelop Bidding, the evaluation of qualification of bidders, technical, commercial and financial aspect is done simultaneously.

In Single Stage Multiple Envelops, initially only the techno-commercial bids would be opened and evaluated for bids which successfully meet the qualification criteria and techno-commercial aspects. Financial bids of such successful bidders only would be opened for selecting the L1 bidder among these and in case of manual tenders, financial bids of unsuccessful bidders would be returned unopened to them.

In Two Stage Bid documents shall be evaluated as EoI/ RFP as mentioned in **sec.....**

Bid documents are evaluated, ranked, and awarded to the bidder according to the 'cumulative/weighted analysis' evaluation methodology, defining best value as the paramount overall benefit when considering technical and financial factors.

Evaluation of Techno-commercial Bid

In evaluation of the techno-commercial bid, conformity of the eligibility/qualification, technical and commercial conditions of the offered goods to those in the bid document is ascertained.

Additional factors, if any, incorporated in the tender documents may also be considered in the manner indicated therein.

Evaluation has to be based only on the conditions included in the tender document and any other condition should not form the basis of this evaluation.

- Evaluation of eligibility/qualification Criteria
- Evaluation of Technical Suitability based on the requirement
- Evaluation of Commercial Conditions
- Considering Minor Deviations

Declaration of Successful Bidders

- If it is a multiple envelop tender, then the ESC prepares a recommendation of techno-commercial bid to declare successful bidders. In such cases, after the approval of EC, the results of the Technocommercial bid evaluation are to be announced (including informing the failed Bidders).
- Price bids are opened in the presence of technically suitable bidders, who are willing to attend the bid opening, at a pre-publicised date, time and place.
- In single envelop/cover tender, ESC proceeds to evaluate the price aspects and refers to EC.
- A tenderer shall have the right to be heard in case he feels that a proper procurement process is not being followed and/or his techno-commercial bid has been rejected wrongly.
- The tenderer is to be permitted to send his representation in writing. On receipt of representation it may be decided whether to withhold opening of the financial bids and bidder may be expeditiously replied.

- However, the decision of the EC is final.

Evaluation of Financial Bids and Ranking of Tenders in general

- If the price bid is ambiguous so that it may very well lead to two equally valid total price amounts, then the bid should be treated as unresponsive.
- If the bidders offer suo motu discounts and rebates after opening of the tender (techno-commercial or financial). Such rebates/discounts should not be considered for the purpose of ranking the offer but if such a firm does become L1 at its original offer, such suo motu rebates can be incorporated in the contracts. This also applies to conditional rebates, for example, rebate for faster payments, and so on.
- Unless announced before hand explicitly in the tender documents, the quoted price should not be loaded on the basis of deviations in the commercial conditions. If it is decided to incorporate such clauses, these should be unambiguous and clear – and thereafter there should be no relaxation during evaluation.
- TSI gives special importance to factors such as high quality work/performance, environmental friendly features, and low running cost, low maintenance cost, and so on.

Special aspects of evaluation of the financial offer in GTE tenders

- The price in the quotation could be in US Dollar or Euro or Pound Sterling or Yen or in currencies under the RBI's notified basket of currencies, in addition to the Indian Rupees, except for expenditure incurred in India (including agency commission if any) which should be stated in Indian Rupees.
- All offers are to be converted to Indian Rupees based on the "Bill currency selling" exchange rate on the date of tender opening (Techno-commercial offer) from a source as specified in the tender document.
- The contract price will be normally paid in the currency/currencies in which the price is stated in the contract.

Timely Processing of Tenders

To enable timely decision making, complete Time schedule of finalising the Tender process from the date of issuing the tender to date of issuing the contract, should be published in the Bid Documents. Example Open tender 30 days, Procurement through registered vendors 20 days, Nomination/proprietary basis 15 days.

The entire process of scrutiny and evaluation of tenders, preparation of ranking statement and notification of award must be done expeditiously and within the original tender validity period.

The validity period should not be unreasonably long as keeping the tender unconditionally valid for acceptance for a longer period entails the risk of getting higher prices from the tenderers.

Extension: If due to some exceptional and unforeseen reasons, the TSI is unable to decide on the placement of the contract within the original validity period, it may preferably request, before expiry of the original validity period, all the responsive tenderers to extend their tenders up to a specified period. While asking for such extension, the tenderers are also to be asked to extend their offers as it is, without any changes therein. Those tenderers/ bidders who agree to extend the validity, are to do so without changing any terms, conditions, and so on, of their original tenders.

Variation of Quantities at the Time of Award

At the time of awarding the contract, the quantity to be procured must be re-judged based on the current data, since the ground situation may have very well changed. The tendered quantity can be increased or decreased by 25 (Twenty-Five) per cent for ordering, if so warranted. This may be mentioned in the tender documents. If the variation is more than 25 % then current tender document must be withdrawn / cancelled and re-tendering must be done.

Options

In case of long running, yearly procurements, to take care of any change in the requirement during the currency of the contract, a plus/minus option clause (normally 25 (Twenty-Five) per cent) is incorporated in the tender document, reserving purchaser's right to increase or decrease the quantity of the required goods up to that limit without any change in the terms and conditions and prices quoted by the tenderers.

Negotiations

Normally, there should be no negotiation. Negotiations should be a rare exception rather than the rule and may be resorted to only in exceptional circumstances. If it is decided to hold negotiations for reduction of prices, they should be held only with the lowest acceptable bidder (L1), who is techno-commercially responsive for the supply of a bulk quantity and on whom the contract would have been placed but for the decision to negotiate.

The circumstances where negotiations may be considered could be:

- Where the procurement is done on nomination basis.
- Procurement is from single or limited sources.
- Procurements where there is suspicion of cartel formation which should be recorded.
- Where the requirements are urgent and the delay in re-tendering for the entire requirement due to the unreasonableness of the quoted rates would jeopardise essential operations, maintenance and safety, negotiations with L1 bidder(s) may be done for bare minimum quantum of requirements.
- The decision whether to invite fresh tenders or to negotiate and with whom, should be made by the EC based on the recommendations of the ESC.
- The EC should exercise due diligence while accepting a tender or ordering negotiations or calling for a re-tender and a definite time frame should be indicated.
- If the EC decides to go for negotiations then the following procedure needs to be followed.
 - It must be understood that, if the period of validity of the original offer expires before the close of negotiations, the original offer will not be available for acceptance. The period of validity of the original offer must, therefore, be extended, wherever necessary, before negotiations.
 - The rates originally quoted by tenderer/bidder shall remain open for acceptance in the event of failure of the contemplated negotiation.
 - Revised bids should be obtained in writing from the selected tenderers at the end of the negotiations.

Consideration of Lack of Competition

Sometimes, against advertised/limited tender cases, the TSI may not receive a sufficient number of bids and/or after analysing the bids, ends up with only one responsive bid – a situation referred to as ‘Single Offer’.

In such event of ‘Single Offer’ is to be treated as Single Tender

Even when only one Bid is submitted, the process may be considered valid provided following conditions are satisfied

- The procurement was satisfactorily advertised and sufficient time was given for submission of bids.
- The qualification criteria were not unduly restrictive.
- Prices are reasonable in comparison to market values.
- In case of price not being reasonable, negotiations (being L1) or retender may be considered as justifiable.

Cancellation of Procurement Process/Rejection of All Bids/Re-tender

TSI –EC may cancel the process of procurement or rejecting all bids at any time before intimating acceptance of successful bid under circumstances mentioned below.

- If the quantity and quality of requirements have changed substantially or there is an un-rectifiable infirmity in the bidding process.
- When none of the tenders is substantially responsive to the requirements of the Procurement Documents.
- None of the technical Proposals meets the minimum technical qualifying score.
- The Bids'/Proposals' prices are substantially higher than the updated cost estimate or available budget.
- If the bidder, whose bid has been found to be the lowest evaluated bid withdraws or whose bid has been accepted, fails to sign the procurement contract as may be required, or fails to provide the security as may be required for the performance of the contract or otherwise withdraws from the procurement process, the EC shall cancel the procurement process or go for the next bidder if it satisfies the evaluation criteria.
- Approval for re-tendering should be accorded by the EC after recording the reasons/ proper justification in writing. The decision of the EC to cancel the procurement and reasons for such a decision shall be immediately communicated to all bidders that participated in the procurement process.

Handling Dissent among ESC or EC

All members of the ESC / EC should resolve their differences through personal discussions instead of making to and fro references in writing.

In cases where it is not possible to come to a consensus and differences persist amongst ESC / EC members, the reasons for dissent of a member should be recorded in a balanced

manner along with the majority's views on the dissent note. However, such situations should be rare. The EC can overrule such dissent notes of ESC after recording reasons for doing so clearly. The final recommendations should be that of the majority view as deemed fit, duly recording detailed reasons.

Independence, Impartiality, Confidentiality and 'No Conflict of Interest' at all Stages of Evaluation of Bids

All TSI officials or ESC or EC members who have contributed to the techno-commercial or financial evaluation of bids, even though they may not be part of the EC should deal with the procurement in an independent, impartial manner and should have no conflict of interest with any of the bidder involved in the procurement.

They should also maintain confidentiality of the information processed during the evaluation process and not allow it to reach any unauthorised person.

They should sign a declaration at the end of their reports/notings stating that, "I declare that I have no conflict of interest with any of the bidder in this tender". ESC members may make such a declaration at the end of their reports.

EC members, who are participating in the bid, shall not be involved in any of the decision making process or be part of any of the subcommittee.

Contract Management

The purpose of contract management is to ensure that the contract delivers the desired outcomes as per the terms and conditions of the contract. It also ensures that the payments made to the contractor match the performance.

Implementation of the contract should be strictly monitored and notices issued promptly whenever a breach of provisions occurs. Monitoring should ensure that contractor adhere to contract terms, performance expectations are achieved (such as timely deliveries, quality of goods supplied, adherence to proper procedure for submitting invoices, and so on) and any problems are identified and resolved in a timely manner.

Amendments to the contract

Once a contract has been concluded, the terms and conditions thereof should not be varied.

No amendment to the contract should be made that can lead to a vitiation of the original tender decision or bestow an undue advantage on the contractor.

However, due to various reasons, changes and modifications are needed in the contract. Where it becomes necessary/ inescapable, any modification will be carried out with the prior approval of the ESC / EC.

Requests for such changes and modifications mostly emanate from the supplier. Any amendment to the contract may have, inter alia, financial/technical/legal implications.

The experts may be consulted regarding the technical implications. Financial concurrence should be obtained before issuing any amendment that has financial implications/repercussions. Further, if considered necessary, legal opinion may also be sought.

Post contract variation carried out in the form of an amendment shall be published in TSI website that were used for publication of the original tender enquiry.

Option Clause

TSI retains the right to place orders for an additional quantity up to a specified percentage of the originally contracted quantity at the same rate and terms of the contract, during the currency of the contract. This clause and percentage should be part of the Bid Document and the contract and ideally should not exceed 25-30%.

Approval should be taken from the EC (who originally approved the tender decision) to exercise the option clause based on the value of the contract with the increased quantity.

In case the recalculated value of the contract goes beyond the previous approved value, Further re-approval from the EC is must for the enhanced value may be taken.

Cancellation of Contract for Default

Without prejudice to any other remedy for breach of contract, EC by written notice of default sent to the vendor, the contract may be terminated in whole or in part.

- If the vendor fails to deliver any or all of the stores within the time period(s) specified in the contract, or any extension thereof granted.
- If the vendor fails to perform any other obligation under the contract within the period specified in the contract or any extension thereof granted.
- If the contract is terminated in whole or in part, recourse may be taken to any one or more of the following actions
 - Forfeiture of the performance security

- Upon such terms and in such manner as it deems appropriate, goods similar to those undelivered may be procured and the vendor shall be liable for all available actions against him in terms of the contract
- However, the vendor shall continue to fulfil the contract to the extent not terminated.
- Before cancelling the contract and taking further action, it may be desirable to obtain legal advice.
- If the vendor becomes bankrupt or becomes otherwise insolvent or undergoes liquidation or loses substantially the technical or financial capability (based on which he was selected for award of contract), at any time, the contract may be terminated, by giving a written notice to the vendor, without compensation to the vendor, provided that such termination will not prejudice or affect any right of action or remedy which has accrued or will accrue thereafter to TSI.
- After placement of the contract, there may be an unforeseen situation compelling TSI to cancel the contract. In such a case, a suitable notice has to be sent to the vendor for cancellation of the contract, in whole or in part, for TSI's convenience, inter alia, indicating the date with effect from which the termination will become effective.
- Suitable provisions to this effect should be **to be** incorporated in the tender document as well as in the resultant contract.

Dispute Resolution

Due to various unforeseen reasons, problems may arise during the progress of the contract leading to a disagreement between the TSI and vendor. Generally it may not arise. Therefore, the conditions governing the contract should contain suitable provisions for settlement of such disputes or differences binding on both parties.

The mode of settlement of such disputes/differences should be through arbitration. However, when a dispute/difference arises, both the parties should first try to resolve it amicably by mutual consultation.

If the parties fail to resolve the dispute within 21 (Twenty-One) days, then, depending on the position of the case, either the purchaser or supplier should give notice to the other party of its intention to commence arbitration.

If an amicable settlement is not forthcoming, recourse may be taken to the settlement of disputes through arbitration as per the Arbitration and Conciliation Act 1996. For this

purpose, a standard arbitration clause may be included in the requirement/bid document indicating the arbitration procedure to be followed.

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

Closure of Contract

While making the final payment to the contractor and before releasing the PBG, it should be ensured that there is nothing outstanding from the contractor, because it would be difficult to retrieve such amounts after releasing the bank guarantee/final payment. Before the bank guarantee is released a “No Claim Certificate” may be taken from the contractor.

Procedure for selling a TSI venture/program/filling a bid floated by a company/corporate

TSI would normally not commercialize any activity as it is a society that works without profit for the spread and use of Telemedicine.

In the event that TSI decides to commercialize any activity/product that it owns, the procedure to be followed would be as given below

The EC would peruse any idea/plan /tender it receives This would be on email as a formal proposal by an individual or a corporates.

The same would be vetted by the committee and passed by $\frac{2}{3}$ majority at least.

Once passed, a committee would be formulated to ensure that TSI interests are upheld during the process of sell.

If a contract is to be drawn up, it would be approved by EC and it would be under its authority that the contract would run.