# Lecture 37

METHODS OF PROCUREMENT

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# 20.       Principal method of procurement.-

Save as otherwise provided hereinafter, the procuring agencies shall use open competitive bidding as the principal method of procurement for the procurement of goods, services and works.

# 21.       Open competitive bidding.-

\*\*Subject to the provisions of rules 22 to 37 the procuring agencies shall engage in open competitive bidding if the cost of the object to be procured is more than the prescribed financial limit which is applicable under sub-clause (i) of clause (b) of rule 42

# 22.       Submission of bids.-

(1)        The bids shall be submitted in a sealed package or packages in such  manner that the contents are fully enclosed and cannot be known until duly opened.

(2)        A procuring agency shall specify the manner and method of submission and receipt of bids in an unambiguous and clear manner in the bidding documents.

# 23.       Bidding documents.-

(1)            Procuring agencies shall formulate precise and unambiguous bidding documents that shall be made available to the bidders immediately after the publication of the invitation to bid.

(2)        For competitive bidding, whether open or limited, the bidding documents shall include the following, namely:-

(a)      invitation to bid;

(b)      instructions to bidders;

(c)       form of bid;

(d)      form of contract;

(e)       general or special conditions of contract;

(f)        specifications and drawings or performance criteria (where applicable);

(g)       list of goods or bill of quantities (where applicable);

(h)       delivery time or completion schedule;

(i)        qualification criteria (where applicable);

(j)          bid evaluation criteria;

(k)        format of all securities required (where applicable);

(l)         details of standards (if any) that are to be used in assessing the quality of goods, works or services specified; and

(m)      any other detail not inconsistent with these rules that the procuring agency may deem necessary.

(3)        Any information, that becomes necessary for bidding or for bid evaluation, after the invitation to bid or issue of the bidding documents to the prospective bidders, shall be provided in a timely manner and on equal opportunity basis. Where notification of such change, addition, modification or deletion becomes essential, such notification shall be made in a manner similar to the original advertisement.

(4)        Procuring agencies shall use standard bidding documents as and when notified by regulation by the Authority:

Provided that bidding documents already in use of procuring agencies may be retained in their respective usage to the extent they are not inconsistent with these rules, and till such time that the standard bidding documents are specified by regulations.

(5)        The procuring agency shall provide a set of bidding documents to any supplier or contractor, on request and subject to payment of price, if any.

            Explanation.- For the purpose of this sub-rule price means the cost of printing and providing the documents only.

# 24.       Reservations and preference.-

(1)        Procuring agencies shall allow all prospective bidders to participate in procuring procedure without regard to nationality, except in cases in which any procuring agency decides to limit such participation to national bidders only or prohibit participation of bidders of some nationalities, in accordance with the policy of Federal Government.

(2)        Procuring agencies shall allow for a preference to domestic or national suppliers or contractors in accordance with the policies of the Federal Government. The magnitude of price preference to be accorded shall be clearly mentioned in the bidding documents under the bid evaluation criteria.

# 25.       Bid security.-

The procuring agency may require the bidders to furnish a bid security not exceeding five per cent of the bid price.

# 26.       Bid validity.-

(1)        A procuring agency, keeping in view the nature of the procurement, shall subject the bid to a bid validity period.

(2)        Bids shall be valid for the period of time specified in the bidding document.

(3)        The procuring agency shall ordinarily be under an obligation to process and evaluate the bid within the stipulated bid validity period.  However under exceptional circumstances and for reason to be recorded in writing, if an extension is considered necessary, all those who have submitted their bids shall be asked to extend their respective bid validity period.  Such extension shall be for not more than the period equal to the period of the original bid validity.

(4)            Bidders who,-

(a)        agree to extension of their bid validity  period shall also extend the validity of the bid bond or security for the extended period of the bid validity;

(b)       agree to the procuring agency’s request for extension of bid validity period shall not    be permitted to change the substance of their bids; and

(c)        do not agree to an extension of the bid validity period shall be allowed to withdraw  their bids without forfeiture of their bid bonds or securities.

# 27.       Extension of time for submission of bids.-

Where a procuring agency has already prescribed a deadline for the submission of bids and due to any reason the procuring agency finds it necessary to extend such deadline, it shall do so only after recording its reasons in writing and in an equal opportunity manner.  Advertisement of such extension in time shall be done in a manner similar to the original advertisement.