

**Manual for Procurement of Goods and Services in  
Local self Government Institutions in Kerala**

*(Draft for Private Circulation only)*

*(Prepared by KILA under KLGSDP)*



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## Acronyms

ACDPO-	Assistant Child Development Officer
ANERT -	Agency for Non-conventional Energy and Rural Technology
APP -	Annual Procurement Plan
C-APT -	Centre for Advanced Printing and Training
CBP -	Committee for Beneficiary Purchase
CDPO -	Child Development Project Officer
CF Lamps-	Compact Florescent Lamps
CHC -	Community Health Centre
DGS&D-	Director General of Supplies and Disposals
DIO -	District Information Officer
DSC -	Digital Signature Certificates
EMD -	Earnest Money Deposit
GI -	Galvanized Iron
Hoi -	Head of the Institutions
ICDS -	Integrated Child Development Scheme
KSITM -	Kerala State Information Technology Mission
K-STED-	Kerala Scientific and Technical Education Development Council
LSGI -	Local Self Government Institutions
MS -	Mild Steel
NGO -	Non-Government Organisation
NIC -	National Informatics Centre
PC -	Procurement Committee
PHC -	Primary Health Centre
PO -	Procurement Officer
PRD -	Public Relations Department
SD -	Security Deposit
SPD -	Store Purchase Department
TFFR -	Technical and Financial Feasibility Report

# Chapter 1

## Introduction

### 1.1. Background

Local Self Government Institutions (LSGI) in Kerala, in the course of carrying out its administrative and developmental responsibilities, has to procure Goods, Assets and Services in various contexts. The Goods, Assets and Services are procured by LSGIs for performing administrative and mandatory functions, by utilising own sources of funds and funds that are set apart in the approved projects of LSGI during a specified financial year.

Procurement of LSGI is not the sole responsibility of any particular designated Officer of the Local Self Government Institution, but pooled Officers, including the Secretary of the LSGI, Elected Representatives and various Stakeholders are responsible for carrying out such Procurement. This Manual, abide all aspects of functional procedures for the Officers and all other Stake holders, carrying out procurement which is applicable to all LSGI in the State.

### 1.2. Objectives

The objectives of this Manual are to ensure:

- i. An efficient Procurement mechanism ensuring transparency and accountability.
- ii. A due process and participatory procedures in all kind of Procurements.
- iii. Quality in Procurement and at least possible Cost.
- iv. That the Procurement are cost effective, eco-friendly, ethical and of high technical quality

### 1.3. Definitions

Every effort is made to ensure that the definition contained in this Manual accurate and as per the standards of procurement of LSGI. Words and expressions used but not defined in this Manual shall be effected as defined in the Kerala Panchayat Raj Act 1994, Kerala Municipality Act 1994, Rules allied to these Acts and amendments there on.

**i. Allied Institutions**

All the institutions, that are carrying out and extending the Services/Welfare and Developmental activities of LSGI to the public. (Eg. Anganwadi, Primary Health Centre, Agricultural Office, Government Schools, etc.).

**ii. Annual Procurement Plan (APP)**

It is a document specifying the details of procurements of goods, assets or services required for a specified period. It should contain the mode of purchase, responsible officials, period, quantity, quality specifications, total fund required and source of fund. The format is given in Annexure 1. If the Procurement Plan is prepared for one year, it is called Annual Procurement Plan (APP).

**iii. Assets**

Assets are objects fixed or non-fixed in nature, owned by the LSGI or vested with the allied institutions for the purpose of service delivery of LSGIs.

**iv. Bid**

Any offer by one party to enter into a legally contract with LSGI through quotation/tender to supply goods or service.

**v. Bidder**

The party offering to enter into a legally binding contract with LSGIs.

**vi. Black List**

A list officially exchanged among LSGIs containing the Names of Persons/Firms to be barred from entering into contract because of untrustworthiness or for holding openinions consider undesirable.

**vii. Committee for Beneficiary Purchase (CBP)**

A Committee constituted for individual benefit distribution projects like the distribution of Agricultural Implements, Pump Sets, Sprayers, Cattle, Birds, Seed Fish, etc. Structure of this committee is given in Table 1.2.

**viii. e-Tender**

e-Tender is an Internet based complete tendering process of LSGI. The process includes advertising, submitting, and receiving tender related information through online.

**ix. Ernest Money Deposit (EMD)**

An amount obtained from the bidders as a refundable deposit to safe guard against a bidder's withdrawing or altering its bid during the bid validity period as advertised by the LSGIs

**x. Emergency Procurement**

Any procurement, subject to the maximum of Rs 2000, before the approval of APP. The Secretary shall obtain the approval of the Chairperson of LSGIs and shall inform the Procurement Committee within seven days.

**xi. Firm Period**

Firm Period means the period in which the rate quoted by the Bidder is fixed and cannot be revoked or withdrew.

**xii. Goods and Additional Goods**

(a) Goods means all articles and materials (other than cash and documents) procured for the functioning of LSGIs.

(b) Additional goods means, the goods required to be procured over and above what is in the Procurement Plan, provided the same is to meet contingencies in connection with the fulfillment of mandatory functions; at the same rate and conditions. However the additional goods shall not be exceed 10% of quantity in the Procurement Plan.

**xiii. Head of the Institution (HoI)**

Officer is having the total control and authority of the Institution(s).

**xiv. Open Tender**

A form of tender by public advertisement through news papers, electronic media, notice boards, allied institutions' notice boards, etc.

**xv. Performance Guarantee**

is an agreement between the supplier and LSGI for the supplier to perform all of their obligations under the contract. It may also include a clause in the agreement to protect the LSGI against losses incurred, in case the supplier fails to perform and enforcement action is required or an alternative supplier needs to be engaged.

**xvi. Petty Purchase**

Petty purchase is the procurement that is relatively insignificant in value. Considering this, direct mode of procurement can be resorted to, without quotation/tender.

**xvii. Procurement**

The complete process of obtaining Goods, Assets and Service for LSGI and its allied institutions, it includes developing specifications, market research, price search through bidding, purchase and taking delivery.

**xviii. Procurement Committee (PC)**

A Committee constituted at LSGI level for vetting and approving the Procurement Plan and also to monitor that the procurements are adhering to the plan. Structure of Procurement Committee is given in Table. 1.1.

**xix. Procurement Officer (PO)**

An Implementing Officer of a project or Head of Institution, authorised by the LSGI to procure goods, assets or services as per Procurement Plan.

**xx. Rate Contract**

A contract entered into by using rate contract of the Director General of Supplies and Disposals (DGS&D), New Delhi or Stores Purchase Department of Government of Kerala with suppliers to supply goods at fixed rates for a fixed period.

**xxi. Running Contract**

A contract entered into with a supplier for supply of goods for a fixed period, at fixed rate and at specified location in fixed time intervals.

**xxii. Service**

Service are technical knowhow or specialized knowledge required for a particular LSGI. The said service shall be procured from individuals or institutions having defined expertise to carry out specified activity which falls within the responsibility of the LSGI and cannot be carried out with the available expertise of the Official Mechanism of the LSGI.

**xxiii. Security Deposit**

An amount obtained from the successful bidder as a security to ensure due performance of the contract.

**xxiv. Single Tender**

Tender system adopted for small quantity of additional purchase without quotation/tender or goods having single producer/supplier.

**xxv Single Producer/Supplier**

In a situation where a single group or company owns all or nearly all of a given product or service's market ,such group or firm is treated as single producer or supplier.

**xxvi. Supplier, Consultant**

The firm or individual to whom, the LSGI entree in contract with supply of goods or for the performance of services.

**xxvii. Tender**

Means the same as “Bid” in this Manual. Both Tender and Bid are used in interchangably.

**xxviii. Tender Notice**

Tender Notice is an invitation by the Procurement Officer during the course of Tendering.

The prescribed format of Tender Notice is given in Annexure X.

**xxix. Turn Key Contract**

This mode of procuring Good and its related Service as required by LSGI that is to be developed /constructed by the Supplier/Consultant who performs all the activities from design to operational testing before the project is turned over to the LSGI.

**xxx. Window Advertisement**

Window Advertisement is a brief advertisement which is prissily explaining the need of procurement of LSGIs also meant to be published in News Dailies, for seeking Quotation or Tender for such Procurement of LSGIs.

**1.4. Scope and Applicability**

This Manual is applicable for Procurement of Goods, Assets and/or Services by LSGIs including allied institutions of LSGIs.

Kerala Panchayat Raj Work Rules, 1997, covers the norms and procedures for purchases by Contractor/Agency for the execution of works contract. The procurement of goods or assets for

executing such contract by the aforesaid contractor is not covered by this Manual. Whereas such procurements are made directly by the LSGIs, the provisions of this Manual is applicable.

### **1.5. General Principles of Procurement**

The procurement procedures of LSGIs must solemnly affirm that the exemplary norms of best practices to ensure **efficiency, economy, effectiveness, transparency and accountability** in the procurement system. In view of these, all procurements shall be made by considering following key principles.

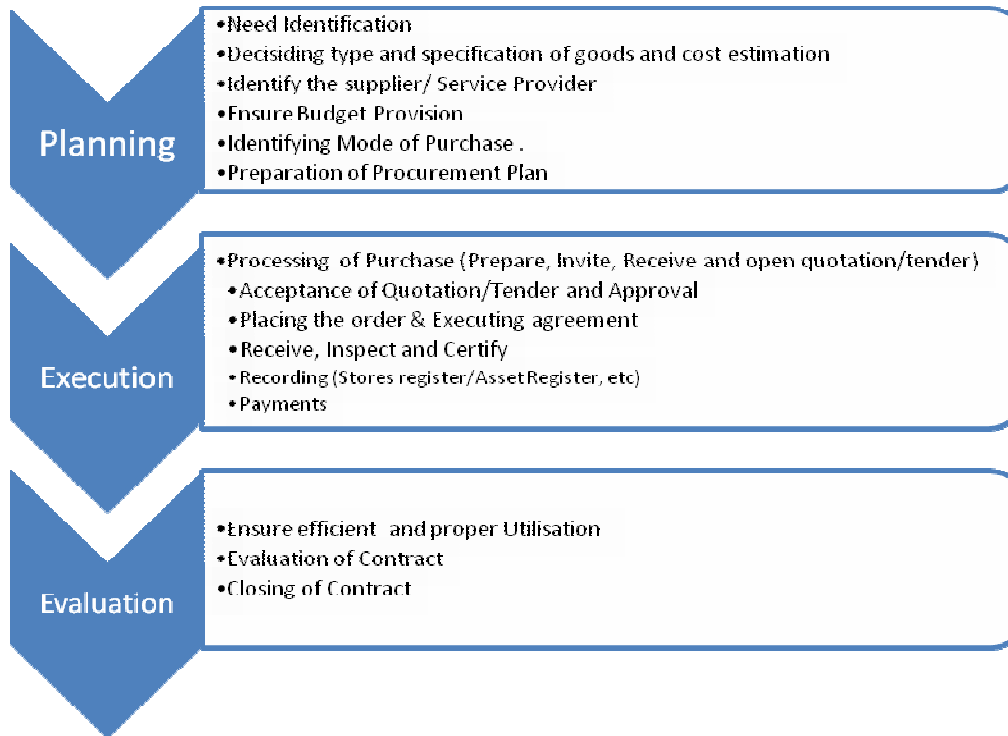
- i. To reduce delays, each LSGI should prescribe appropriate time frame for each stage of procurement.
- ii. Price Negotiation with the bidders should be severely discouraged. However in case the price quoted by the lowest eligible bidder is not reasonable and acceptable, the price may be negotiated with the lowest eligible bidder only and, if it reduces the price to the desired level, contract may be entered into with the bidder.
- iii. In view of transparency and accountability, appropriate documents and records should be maintained systematically.
- iv. In order to ensure participation and thereby transparency, Committee System is followed in major segments of activities viz. planning, execution, and monitoring.
- v. The details of the contract should be proactively disclosed. The names and details of all Committees and members viz., qualification, tenure in the Office and address for contacts with phone number should be published in notice boards of LSGI and Allied Institutions, Website and shall be made available in the Front Office of LSGI for public reference.
- vi. To ensure transparency, the date of Procurement Committee meeting and Agenda for meeting should be published in the notice boards of LSGIs, Allied Institutions, and wherever possible to get access to the citizens of the LSGIs.
- vii. Discourage direct Cash transactions between LSGI and the Supplier/Consultant provider of Goods, Assets and Services to the LSGI. Hence banking transactions are generally encouraged.

viii. Continuous monitoring from the part of the LSGI should be ensured in each process of the Procurement, Committee constitution, Meetings and Publication of the action taken by the Committees.

## 1.6. Procurement Process

All LSGIs shall follow the systematic process for efficient Procurement of Goods, Assets and Services as shown in Chart 1.1.

**Chart 1.1: Procurement Process- Overview**



## 1.7. Committee System for Procurements

In order to ensure smooth conduct of planning, execution and monitoring of procurements, the following Committees shall be set up by the LSGIs.

- i. Procurement Committee
- ii. Committee for Beneficiary Purchase
- iii. Committee for procurement of Toys and Play materials.

### 1.7.1. Procurement Committee

All purchases (other than purchases not exceeding Rs. 2000/- in emergencies) shall have the recommendation of the Local Self Government level Purchase Committee. Every Local Government shall constitute a Local Self Government level Purchase Committee. Structure and composition of the Purchase Committee shall be as in Table 1.1.

**Table 1.1: Structure and Composition of Procurement Committee**

1	Chairperson	Chairperson of the Local Self Government
2	Vice Chairperson	Chairperson of Finance Standing Committee
3	Convener	Secretary of the Local Self Government
4	Joint Conveners	Purchasing Officers other than Secretary of Local Self Government (All Purchasing Officers need not be invited to all meetings of Purchasing Committee. But, the Purchasing Officers who submit purchase proposals with recommendations, for consideration of Purchase Committee shall be invariably invited, while considering such proposals).
5	Members	(1) Chairpersons of the Standing Committees responsible for the subject to which the purchase in question falls. (2) Two 'prominent respectable persons' having experience and expertise and a University Degree (to be selected unanimously by the Local Government at the beginning of the year). (3) One Technical Expert (The Local Government may include any expert in the committee considering the technology and specification of the goods to be purchased. Such an expert shall invariably be included if so requested by the Purchasing Officer).

### 1.7.2. Committee for Beneficiary Purchase

**Table 1.2: Committee for Beneficiary Purchase**

Chairperson	Chairperson of Development Standing Committee
Convener	Implementing Officer of the Project
Members	(1) Four persons elected from among the beneficiaries of the particular project (1) Two members of the Purchase Committee who were included in it as 'prominent respectable persons'. (2) Dairy Development Officer (Official Representative). In cases where Dairy Development Officer happens to be the Implementing officer, Veterinary Officer shall be a Member.

Note: *In the case of seed fish distribution projects, if the Implementing Officer of the project is not an officer of the Fisheries Department, an Officer from Fisheries Department shall invariably be additionally included in the Committee and shall attend the meetings of the Committee without fail. Instead of Dairy Development Officer, Agriculture Officer shall be the official representative in such cases.*

### 1.7.3. Committee for the Procurement of Toys and Play materials

**Table 1.3. : Committee for the Procurement of Toys and Play materials**

Chairman	Medical Officer, PHC/CHC
Convener	ICDS Supervisor/Asst. CDPO/CDPO
Members	<ol style="list-style-type: none"> <li>1. A 'prominent respectable person' of the Procurement Committee.</li> <li>2. Headmaster of Government School (In cases where no Government School is available within the jurisdiction of the Local Government, Headmaster of Aided School).</li> <li>3. A Volunteer working in Child Development activities.</li> </ol>

### 1.8. Stores Procurement Manual of the Stores Procurement Department

The provisions of Kerala State Stores Procurement Manual shall be applicable in respect of procedures and provisions not stated in this manual.

### 1.9. Previous Orders/Circulars

Irrespective of anything contained in any previous orders/circulars, the provisions and conditions of this Manual shall apply for all procurements from the date of order of this Manual. In cases where special procedures and conditions were prescribed for the procurements of any particular item in those orders or circulars but not included in this Manual such procedures and conditions shall be followed for the procurements of such items.

### 1.10. Directions from Government

In cases where there is any ambiguity in the conditions or procedure of Procurements or difference of opinion between officer and Local Self Government, direction of the Government shall be sought.

## Chapter 2

### Procurement Plan

The LSGIs shall prepare an Annual Procurement Plan (Annexure I) by following a systematic process. The steps involved are given below.

#### 2.1. Need Identification

- i. To prepare a comprehensive APP for the LSGI, the Head of the Institutions (HoI) of LSGIs shall identify the requirements in consultation with the other Officers.
- ii. The requirements for the implementation of procurement shall be listed out by the Procurement Officers.
- iii. The Procurement Officer shall categorise the requirements for procurements in LSGI, under plan and non plan as given in Box I.

Box I: <b>Categories of Procurement</b>
<b><i>Category I – Procurement for non-project requirements</i></b> For executing mandatory functions and routine office functions using own fund.
<b><i>Category II – Procurement as part of projects</i></b> As part of projects using fund earmarked in plan projects.
Separate forms shall be used for each category as given in <b>Annexure I</b>

#### 2.2. Deciding Type, Specifications and Cost

After identifying the needs, HoI or Procurement Officer shall decide the following.

- i. The type of Goods, Assets or the Services required,
- ii. Specifications of the items with regard to quality and quantity,
- iii. Working details of Goods, Assets, or Services and responsibilities of its Supplier or Consultant,
- iv. Technical and Financial Feasibility Report (Box. II), and
- v. Estimate the unit cost and total cost of the Procurements.

**Box II: Preparation of Technical and Financial Feasibility Report (TFFR)**

- The analysis of technical and financial feasibility<sup>1</sup> can be made with the help of subject experts.
- The LSGI's Procurement Committee can engage subject experts for the preparation of TFFR.
  - Two technical experts having the capacity, experience and qualification<sup>2</sup> shall examine the technical aspects of the proposed goods, assets, or service and give proper decision. One of the two shall be working in Government Departments or Public Sector undertakings.

A financial expert - Should have been associated with the subject matter for which the goods/assets/service is proposed for Procurement and should have capacity, experience and qualification<sup>2</sup> to give decisive opinion on the financial aspects of the proposal. Expert can be official or non-official.

- Secure the technical advice of these experts during the time of preparation of tender/quotation notice, scrutiny of tender/Quotation and receiving Goods, Assets or Services.
- The experts attending the meeting shall be paid Honorarium, Travelling Allowance and Daily allowance admissible to Grade I officer of the Government, from the own fund of the Local Govt.

1. Guideline for TFFR are given in Annexure III

2. If otherwise not specified by the Government, the Technical expert should be from the relevant subject and shall have supervisory level experience not less than 10 years in public sector. (For example in the case of Organic Fertilizer Production Unit, the Assistant Director of Agriculture shall be the Technical Expert and Chartered Accountant as Financial Expert)

**2.3. Identify the Supplier or Service Consultant**

In the case of local procurement the Procurement Officer, with the consultation of experts, Working Groups, Standing Committees and others, shall prepare the source of availability of the Goods, Assets or Services.

## 2.4. Budget Provision

The HoI or Procurement Officer of Allied Institutions shall ensure the budget provision in consultation with the LSGI. The Procurement Officer shall ensure the availability of funds, source, and time of availability.

## 2.5. Mode of Procurement

i. Table 2.1 gives the different modes of Procurement of Goods and its conditions. (The details of each mode of procurement are described in the forthcoming chapter).

**Table 2.1: Modes of Procurement**

#	Mode of Procurement	Items of Procurement	Conditions
1	Petty Purchase	Procurement of Stationery items and consumables for Office use.	1. A single procurement not exceeding Rs. 5,000. 2. Procurement of Books (Except reference books for office use) and periodicals not exceeding Rs. 2,000.
2	Procurement through Quotations	All Goods, Assets, Services not exceeding the amount at a time of: i. Rs. 60,000 in Grama Panchayats and Block Panchayats, and ii. Rs. 100,000 in other LSGIs.	1. Quotation Notice/Tender Notice shall be issued to minimum 5 Suppliers /Consultant. 2. Minimum 3 Quotations must be obtained. 3. Goods falls under rate contract shall not be procured
3	Open Tender	All Goods, Assets, Services except: 1. Procurement for which has specific procedure are prescribed by the Government, 2. Procurement for which Open Tender is dispensed/abstained with by this Manual.	Tenders Notice shall be published in News Daily, Notice Board and in the website.
4	Single Tender	1. Assets/Services/Goods and spares having single Producer/Supplier. 2. 10% quantity of additional goods at the same rate and conditions, which has been procured already by the LSGI.	Procurement Officer, before the Procurement Committee, shall submit the rationality of this method.
5	Running Contract	1. Consumables for office use, Bulbs for street lighting (If no separate procedure is prescribed by the Government). 2. Vegetables and Milk (Where Milma milk is not available).	Tender shall be published in Daily News Papers, Notice Board, and in Web site.

6	Rate Contract	Goods having rate contract of Director General of Supplies and Disposals (DGS&D), New Delhi or Stores Purchase Department (SPD) of Government of Kerala.	During the period of Procurement, Goods have Rate Contract coverage.
7	Procurement from firms only strictly specified by Government	All Goods as Specified by Government. (Items specified in Table 3.11 of Chapter 3)	Conditions as stipulated by the Government.
8	Procurement from firms Specified by Government	All Goods as Specified by Government. (Items specified in Table 3.12 of Chapter 3)	Conditions as stipulated by the Government.
9	Procurement through Beneficiaries	Procurement of Pump sets, Sprayers, Agricultural implements, Cattle, Birds and Seed fish	Procurement only as part of individual benefit distribution projects.

- ii. In cases where Government has prescribed any conditions, mode of procurement adopted shall be subject to such conditions.
- iii. In cases of services, only those services that are not available from the official mechanism (including professional and technical expertise under the control of the LSGI) shall be procured.

## 2.6. Annual Procurement Plan (APP)

- i. The Secretary of LSGI shall prepare Annual Procurement Plan by consolidating the procurement proposals submitted by HoIs and Procurement Officers, as they identified the requirements. The format for Procurement Proposal is given in **Annexure II**.
- ii. The Secretary shall get the APP vetted by the Procurement Committee and then submit it to the LSGI for approval.
- iii. The LSGI shall approve the APP prior to the preparation of budget of LSGI.
- iv. The APP shall be incorporated in the Annual Budget of LSGI.
- v. While consolidating the proposals by the Secretary, utmost care shall be exercised to ensure that the procurements are adhering the principles stated in para 1.5 of Chapter 1. To examine this, the check list given in Box III shall be followed.

**Box III: Checklist for the Preparation of Procurement Plan**

- |  |
|--|
| <ul style="list-style-type: none"><li>(i) Whether the procurement of a particular item included in the Procurement Proposal is need based or not?</li><li>(ii) Which Mode of Procurement is more beneficial?</li><li>(iii) Procurement of which items in single lot is beneficial?</li><li>(iv) Procurement of which items as per timely procurement is beneficial?</li><li>(v) Which are the items for which running contract is suitable?</li><li>(vi) Which is the most suitable time for procurement?</li><li>(vii) Which items are to be tendered together?. Who is responsible for tendering and who is responsible for procurement?</li></ul> |
|--|

## 2.7. Approval

- i. On the basis of the submission by the Procurement Officer and subsequent recommendation of the Procurement Committee (See table 1.1 in Chapter 1), the APP shall be approved by the LSGI.
- ii. The Secretary, being the Executive Officer of LSGI, shall obtain advice respectively from *Suchitwa* Mission and ANERT for erection and running of waste disposal plants and production of non-conventional energy during the preparation of Procurement Plan. Also obtain clearance respectively from *Suchitwa* Mission and ANERT before entering into service contracts.

## 2.8. Proactive Disclosure

Secretary of the LSGI shall upload the approved Procurement Plan to the web site of LSGI and provide a copy to:

- i. *Grama Sabha* Coordinator for presentation in the Grama Sabha.
- ii. All Implementing Officers/Heads of the Institutions.
- iii. All *Grama Kendras*
- iv. Front Office.

## Chapter 3

### Execution of Procurement

The execution of Annual Procurement Plan consists of sequence of activities that includes the deciding the modes of procurements, accepting offer, entering into contract, placing order, receiving and inspecting, recording and making final payments for the procurements. These sequences of activities depend on the mode of procurement which the LSGI has planned according to APP. The sequence of activities for execution of procurements as per different modes are given below.


- 3.1. Petty Purchase
- 3.2. Procurement through Quotation
- 3.3. Open Tender
- 3.4. Single Tender
- 3.5. Running Contract
- 3.6. Rate Contract
- 3.7. Direct Procurement only from firms specified by Government
- 3.8. Direct Procurement from firms specified by Government
- 3.9. Procurement through Beneficiaries
- 3.10. Two Stage tender

#### **3.1. Petty Purchase**

##### **3.1.1. . Conditions of Petty Purchase**

The conditions applicable for Petty purchase are given in Table 3.1, also use the indent format given in Annexure IV.

**Table 3.1: Conditions of Petty Purchase**

 <p><i>Items</i></p> <ul style="list-style-type: none"> <li>•Stationery (for Office use)</li> <li>•Books and Periodicals</li> <li>•Reference Books</li> </ul>	 <p><i>Limit per Procurement</i></p> <ul style="list-style-type: none"> <li>•Up to Rs 5,000</li> <li>•Up to Rs 2,000</li> <li>•Up to Rs 5,000</li> </ul>	 <p><i>Maximum limit in a year</i></p> <ul style="list-style-type: none"> <li>•GP and BP- Rs. 40,000</li> <li>•Others Rs. 1,00,000</li> </ul>	 <p><i>Conditions</i></p> <ul style="list-style-type: none"> <li>•purchase without quotation or tender.</li> <li>•Prepare indent in Format given in Annexure III,</li> <li>•Approval from Procurement Committee and LSGI</li> </ul>	 <p><i>Emergency Purchase (Rs. 2000)</i></p> <ul style="list-style-type: none"> <li>•purchase with the approval President.</li> <li>•Inform within 7 days of procurement for ratification from Procurement Committee and LSGIs.</li> </ul>
<p style="text-align: center;">If Rate Contract is available for the items, not go for petty purchase High value procurement shall not be split into petty purchase</p>				

## 3.2. Procurements through Quotation

3.2.1. Procurement through quotation can be adopted subject to the amount ceiling given in Table 3.2.

**Table 3.2: Amount Ceiling for Procurement through Quotation**

#	Tier of Local Self Government Institutions	Maximum Amount of purchase at a time
1.	Grama Panchayats and Block Panchayats	Rs. 60,000/-
2.	District Panchayat Municipalities and Municipal Corporation	Rs. 1,00,000/-

3.2.2. Steps and conditions for Procurement through Quotation are given in Table 3.3.

**Table 3.3: Steps and Conditions for Procurements through Quotation**

Action/Steps	Conditions
<b>i. Quotation Notice</b>	
• Preparation of Quotation Notice by PO	Notice shall follow the format in <b>Annexure IV</b> .
• Publication of Quotation Notice	Web site, Notice board of LSGI and Allied Institutions
• Issuing the Quotation Notice to suppliers	To minimum 5 suppliers.
<b>ii. Quotation Submission</b>	
• Submitting Quotation by Suppliers	• 7 days shall be allowed to submit quotation
	• Quotation in the format given in <b>Annexure V</b> shall be followed.
	• Shall be in sealed cover through by-hand/registered post/speed post/courier
<b>iii. Receipt of Quotation</b>	
• Quotation by hand	• Keep in sealed box. Sealed box shall be kept in office in accessible and visible condition.
• By post/courier	• Receive it by the Procurement officer; put dated signature on cover with time. • Keep it under her/his custody till the time of opening.
<b>iv. Pre-Opening</b>	
• Obtaining the signature of the bidders/ representatives • Sort out the quotations taken from box and received by post/courier • Number on the covers serially, starting from one • Fill up columns 1 to 4 in the quotation/tender Register, as per serial number of quotation.	• in the Quotation/Tender Register, in <b>Annexure VI</b> • If the Procurement Officer is absent on the date/time of opening due to leave or otherwise, an officer just below the rank shall be entrusted with responsibility. • In case of Allied Institutions where Procurement Officer is not available, it shall be brought to the notice of the Chairperson of the LSGI who shall entrust the responsibility to the Secretary of Local Self Government.
<b>v. Opening</b>	
• Opening of Quotation box. • Opening of quotations by the Procurement Officer. • Writing of the serial number and signed by the Procurement Officer with date and time.	• Open publically at fixed time and place. This must be clearly mentioned in the Tender Notice. • Opening shall be in the presence of bidders or their representatives. • If minimum 3 quotations are not received, new quotation should be invited. • If minimum 3 quotations are not received again, open tender method shall be followed • Opening only after writing of the serial number in red ink on the cover and on top of the first page of quotation.

	<ul style="list-style-type: none"> <li>If the date fixed for opening happens to be a holiday, it shall be opened on the next working day at the same time.</li> </ul>
<b>vi. Post opening Quotation</b>	
Fill up the columns 5 to 8 in the Quotation/tender register	<ul style="list-style-type: none"> <li>Quotation/Tender Register (<b>Annexure VI</b>)</li> <li>Quotation cover shall be kept along with the quotation.</li> </ul>
Preparing the tabulation statement by the PO	<ul style="list-style-type: none"> <li>In the format given in <b>Annexure VII</b></li> </ul>
Scrutiny and Recommendation of the Procurement Officer	Record the remarks and recommendations in the tabulation statement. ( <b>Annexure VII</b> )
Submitting the Quotations/Tender for: <ul style="list-style-type: none"> <li>consideration of Procurement Committee, and</li> <li>Approval of LSGI.</li> </ul>	<ul style="list-style-type: none"> <li>Annexed with tabulation statement.</li> <li>Within 3 days of opening the quotation</li> </ul>
<b>vii. Acceptance of Quotation*</b>	
<ul style="list-style-type: none"> <li>Verification and recommendation by Procurement Committee.</li> <li>Approval by LSGI, after considering the recommendation of Procurement Committee.</li> </ul>	<ul style="list-style-type: none"> <li>Quotations shall be accepted only if they are complete in all respects.</li> <li>In ordinary course, lowest quotation shall be accepted (Decision taken on otherwise shall be justified with recorded reason)</li> <li>If the lowest rate exceeds market rate reject all and proceed for fresh quotation or negotiation</li> <li>Acceptance only after recommendation by Procurement Committee and approval by LSGI</li> </ul>
<b>viii. Negotiation</b>	
Negotiating with the lowest bidder only so as to reduce the rate/price and arrive at an acceptable price.	<ul style="list-style-type: none"> <li>Shall be conducted by the Procurement Committee</li> <li>Negotiation shall only be with the lowest bidder</li> <li>Negotiation without compromising on the quality.</li> </ul>
<b>ix. Supply Order</b>	
Issuing of Supply Order to the Supplier by the PO	Supply order in Format given in <b>Annexure VIII</b> within 15 days of approval
<b>x. Agreement</b>	
Signing of Agreement by the Supplier	<p>Agreement shall be signed within 15 days of receipt of the supply order or notice.</p> <p>Agreement is to be prepared (<b>Annexure IX</b>) in stamp paper worth Rs. 100/- purchased by bidder</p>

\* Note: If the Quotation amount exceeds for Rs. 25000/- collect Earnest Money Deposit (EMD). See Box V

### 3.3. Procurement through Open Tenders

#### 3.3.1. Applicability

- i. Open tender is applicable for all procurements, except the following:
  - a. Procurement only from the firms strictly specified by Government
  - b. Procurement through Beneficiaries.
- ii. However, open tender shall be strictly followed for all Procurement mentioned below:
  - a. Purchase exceeding Rs. 60,000/- at a time in Grama Panchayats and Block Panchayats and exceeding Rs. 1,00,000/- in other LSGIs.
  - b. Purchase of articles not having rate contract

- c. Purchase of articles for which separate procedures are not prescribed by Government

### 3.3.2. Open Tender Notice

#### 3.3.2.1. Preparation of Open Tender Notice

- 6.4.1. Open Tender notice shall be prepared by the Procurement Officer, in the format given in **Annexure X** to invite tender.
- 6.4.2. While preparing the Open Tender Notice, the conditions given in Box IV shall be adhered to by PO.

<b>Box IV: Conditions for Open Tender Notice Preparation</b>	
<ul style="list-style-type: none"> <li>• Goods having distinct qualities and distinct types and available from different sources shall not be included together in the same Tender Notice.</li> <li>• Goods shall be classified based on quality, type, availability, and separate notice shall be prepared for each group.</li> <li>• Description of Goods as to their material of make, quality and detailed specification (physical specifications like length, width, breadth, height, thickness, technical specifications, functional specification, etc.) shall be clearly mentioned so that there shall not be any room for ambiguity for the Supplier, Officials and the Public.</li> <li>• The amount quoted in the tender notice shall include the cost of transportation to the specified location/site. In the case of machinery, the cost shall include cost of erection and commissioning, running and maintenance and all taxes and rates.</li> <li>• All the conditions and formalities to be complied by the Tenderer shall be clearly spelt out, including EMD, (see Box. V).</li> </ul>	

#### 3.3.2.2. Publication of Open Tender Notice

- i. Open Tender notice shall be published as mentioned in Table 3.4:

**Table 3.4: Publication of Open Tender Notice**

<b>Estimated Cost of Tender</b>	<b>Shall be Published</b>
Upto Rs. 1,00,000	In a local language news daily having largest circulation within the District.
Above Rs. 1 lakh, and upto Rs. 5 lakhs	In two local language news dailies having largest circulation within the District.
Above Rs. 5 lakhs	In two local language news daily and one English news daily having largest circulation within the District.

Note: *Midday and Evening dailies shall not be considered as news papers for this purpose.*

- ii. At the beginning of each financial year, the LSGI shall obtain the list of news daily on largest circulating News Daily in the District from the District Officer of the Public Relations Department (PRD)(District Information Officer(DIO)). According to the gradation of news daily provided by the PRD/DIO,the news daily shall be selected and the tender notice shall be published.
- iii. The full version of the tender notice shall be published in the notice board and web site of the LSGI. If the procurement is for Allied Institution, notice shall be published in the notice board of that specific institution also.

- v. In order to save advertisement charges, short tender notice, in the format given in **Annexure XI** or a Window Advertisement shall be published in the news daily's.

<b>Box V: Conditions Regarding Earnest Money Deposit</b>
<b>A. Earnest Money Deposit (EMD)</b>
Earnest Money Deposit shall be collected for every Tender/Quotation amount exceeding Rs. 25,000/-. The amount of EMD shall be one per cent of the estimated cost, subject to a minimum of Rs. 500/-. EMD shall be remitted in crossed Demand Draft. However, if the EMD is not exceeding Rs 1,000/-, it can be paid in cash.
<b>B. Exemption from Payment of EMD</b>
<ul style="list-style-type: none"> <li>i. In the cases of procurements from the firms specified by Government, such firms need not remit EMD.</li> <li>ii. Government owned firms. (Only for the Procurement of goods manufactured by them. Exemption is not applicable to them if such firms procure and distribute goods)</li> <li>iii. Firms registered with the Stores Procurement Department or the Director General of Supplies and Disposals, New Delhi, in respect of items for which registration is granted. The exemption is granted subject to the production of copy of the registration certificate.</li> <li>iv. Rate contract/Running contract holders. (Exemption is applicable for Procurements of goods having rate contract with DGS&amp;D/SPD and Running Contract with Government Departments).</li> </ul>
<b>C. Forfeiture of EMD</b>
The EMD shall be forfeited, if the successful bidder has failed to enter into contract within a specified period of time.
<b>D. Refund of EMD</b>
<ul style="list-style-type: none"> <li>i. EMD shall be returned to: <ul style="list-style-type: none"> <li>a. all unsuccessful bidders, after fifteen days of expiry of firm period.</li> <li>b. successful bidder, after the receipt of Security Deposit. (EMD shall be adjusted in Security Deposit on the request of the successful bidders).</li> </ul> </li> <li>ii. Officer concerned shall be responsible for any loss arising out of non-refund of EMD.</li> </ul>

### 3.3.2.3. e-Procurement

- i. Adopt e-Procurement for all tenders above Rs. 5 lakhs
- ii. User enrolment, tender creation, Tender publishing, Issuance of Corrigendum, Bid Submission, Bid opening, Bid evaluation(Technical & Financial Comparative Analysis ), award of contract and Management Information System Reports shall be made as per role and responsibilities stated in Table. 3.5.

**Table 3.5: e Procurement Users and their roles and Responsibilities**

<b>Users</b>	<b>Role</b>	<b>Responsibilities</b>
Secretary	Nodal Officer	User management, Tender initiative, tender assignment to Procurement Officers & roles of user other than auditor
Procurement Officers	Users	Tender Creator, Tender Publisher, Bid Opener & Evaluator.
Procurement Committee	Auditor	Minimum of 1 user other than Nodal Officer for each e- procurement

- (iii) e-Payment Mechanism with the e-Payment facility: payments can be made through the payment gateway of tendering portal provided in the online mode with available scheduled banks.
- (iv) Bidders can make their tender document fees & Earnest Money Deposit (EMD) payments directly online through tender gate way.
- (v) Only the EMDs of L1 and L2 bidders shall be withheld in the Pooling account till signing of agreement with selected bidder and Award of Contract.
- (v) EMDs of unsuccessful bidders shall be refunded online to their bank accounts at various stages of tender evaluation.

**(vi) Migration Steps**

- a. All the Procurement Officers shall request for user name and pass word through the portal.
- b. Nodal Officer shall authorise the users who are requested for user name.
- c. The Procurement Officer can create sub users for their assistance, but the responsibility of tender creator, publisher, bid openers & evaluators and informing Kerala State Information Technology Mission (KSITM) remains with the Procurement Officer.
- d. Obtain Digital Signature Certificate (DSC) – Class 2 or above with Signing & Encryption from National informatics Centre (NIC)
- e. LSGI shall to intimate Treasury codes to KSITM for online mapping
- f. LSGIs shall have account with scheduled bank having the online banking facility and intimate the same to KSITM for online mapping

**3.3.2.4. Open Tender Forms**

- i. The format of Open Tender form is given in **Annexure XII**.
- ii. The Tender form shall be down loaded from the website of LSGI.
- iii. Cost of Open Tender Form is given Table 3.6.

**Table 3.6: Cost of Open Tender Forms**

<b>Estimated Cost of Goods to be Procured</b>	<b>Cost of Tender Form</b>
Upto Rs. One Lakh	Rs. 500 + VAT
Rupees One Lakh to Ten Lakh	Rs. 1000 + VAT
Above Rs. Ten Lakh	Rs. 2000 + VAT

- iv. The cost of tender form shall be remitted by drawing Demand Draft in favor of the LSGI and that is to be enclosed with the Tender.
- v. The format of Tender Form Stock Register is given in Annexure XIII

### 3.3.2.5 Time limit for Open Tender Submission

Time limit for submission of Open Tender shall be strictly adhered to as is given in Table 3.7.

**Table 3.7: Time limit for Open Tender Submission**

Estimated Cost of goods to be purchased	Time limit*
Upto Rupees One lakh	10 days
Rupees one lakh to Rupees Ten lakh	14 days
Above Rupees ten lakh	21 days

\* Time limit is to be calculated from the date of publication of the advertisement, but excluding date of publication and date of receipt. In case of publication in more than one newspapers, latest date of publication is to be considered. While giving notice for publication, the date within which it should be published shall be clearly stated in the letter to the News Paper.

### 3.3.3 Execution of Open Tender

The procedures and conditions for Receipt of Tender, Opening of Tender, steps to be taken after opening, Scrutiny, Acceptance, Negotiation, giving/Issuing Supply Order, Signing of Agreement are same as in the case of Quotation, that are mentioned in Table 3.3. Also see chapter 4 for conditions for contracting.

### 3.3.2. 3.3.4.Rejection of Tenders

Tenders shall be summarily rejected if they are incomplete, especially on the grounds given in Table 3.8

**Table 3.8: Grounds for Rejection of Tenders**

1	Tender is not in the format <b>Annexure XII</b> .
2	Tenders for which sufficient Earnest Money Deposit (EMD) is not remitted.
3	Tenders which are not properly signed by the bidder.
4	Tenders received not within the stipulated time.
5	Tenders in which firm period or tender validity period is not recorded.
6	Sample is not submitted where sample is mandatory.
7	Partial tender where partial tender is declared unacceptable.
8	Tenders with incomplete details.
9	Tenders with correction.
10	Tenders of blacklisted firms/individuals.

## 3.4. Single Tender

### 3.4.1. Applicability

The single tender is applicable only in the circumstances mentioned in Table 3.9 and subject to the conditions thereon.

**Table 3.9: Applicability of Single Tender**

#	Circumstances	Conditions
1.	Purchase of spare parts, components or other parts compatible with an existing machinery or instrument.	<ul style="list-style-type: none"> <li>• Parts not available from anywhere else, except the single supplier.</li> <li>• Certificate has to be obtained from a technical expert, if any appointed by Government; otherwise decided by the LSGI.</li> </ul>
2.	Additional requirement over and above the existing contract.	<ul style="list-style-type: none"> <li>• Additional purchase shall be made at the same rate and same condition of the original contract.</li> <li>• Additional quantity shall be limited to 10% of the original contract.</li> <li>• The original contract must be in accordance with competitive tender procedure.</li> </ul>
3.	Purchase of any article.	<ul style="list-style-type: none"> <li>• The article available only from a Single Producer/Supplier</li> </ul>

### 3.4.2. Justification of Single Tender

The Procurement Officer and LSGIs shall record justifications for adopting single tender method.

### 3.4.3. Single Tendering Process

All the steps, procedures, and conditions of open tender, (except advertisement in news daily and in website, are applicable in single tender system.)

## 3.5. Procurement through Running Contract

### 3.5.1. Applicability

LSGIs can enter into running contract with a supplier in cases where:

- a. the whole Goods required for a year need not be purchased together and stocked,
- b. sufficient room/space is not available for holding/stoking goods, or
- c. when long holding of goods may lead to their damage.

### 3.5.2. Terms and Conditions for Running Contract

The terms and conditions of Running Contract are given in Table 3.10.

**Table 3.10: Terms and Conditions for Running Contract**

<b>Particulars</b>	<b>Description</b>
Items to be purchased	<ul style="list-style-type: none"> <li>• Goods for Office Use (consumables),</li> <li>• Bulbs for street lighting (if no separate procedure is prescribed by Government),</li> <li>• Vegetables and Milk (where MILMA Milk is not available) for Anganwadis.</li> </ul>
Contract Period	Running contract shall not be entered for a period more than one year and less than three months.
Tender	<ul style="list-style-type: none"> <li>• Enter into Running Contract only after inviting tenders through newspaper advertisement.</li> <li>• Tender shall be invited on cost estimate, based on annual indent.</li> <li>• Tender shall specify the estimated quantity and period of supply.</li> </ul>
Conditions	<ul style="list-style-type: none"> <li>• All goods and its quantity to be supplied during the contract period shall be included in the contract.</li> <li>• The contractor shall be liable to supply 125% of the contract quantity, if required by the LSGIs.</li> <li>• All conditions prescribed in the case of Open Tender are also applicable.</li> </ul>
Forms to be used	Use <b>Annexure X</b> for Tender Notice, <b>Annexure VIII</b> for supply order, <b>Annexure IX</b> for Agreement, <b>Annexure XII</b> for Tender with suitable changes.

### **3.6. Purchase through Rate Contract**

#### **3.6.1. Conditionality**

- i. The LSGIs can make procurement without tender, but on entering into contract with those Suppliers to whom the rate contract is existing with the Director General of Supplies and Disposals (DGS&D), New Delhi or Stores Purchase Department (SPD) of Government of Kerala.
- ii. Rate Contract is valid for a fixed period. Hence it should be ensured by the Procurement Officer that during the period of purchase, rate contract is valid in respect of Goods, Assets or Services intended to be procured. Contract Agreement in the format given in **Annexure IX** shall be obtained from rate contract holders. Supply Order in format given in **Annexure VIII** is also to be issued.

### **3.7. Items restricted for Procurement only from the firms specified by Government**

#### **3.7. 1. Conditions**

- i. LSGIs can procure the items given in Table 3.11. only from the firms specified by Government.
- ii. Quotation or Tender is not necessary in this category of procurement.
- iii. Earnest Money Deposit (EMD) shall **not** be demanded.

**Table 3.11: Restricted Items and Firms specified by Government**

#	Items	Firms specified by Government
1	Allopathy Medicines	1. Kerala Medical Services Corporation 2. Kerala State Drugs and Pharmaceuticals Ltd
2	Ayurveda Medicines	1. Oushadhi 2. Ayurdhara
3	Homoeo Medicines	1. Kerala state Homeopathic Co-operative Pharmacy, Alappuzha
4	Food materials for supplementary nutrition for Anganawadis (note 1)	1. Maveli Store 2. Ration Shops 3. Retailed outlets of Civil Supplies Corporation 4. Triveni Stores of Consumer Fed
5	Amritham food for Anganawadis	Production units under Kudumbasree and approved by Social Justice Department
6	Milk for Anganawadis	1. From MILMA (note 2)
7	Bitumen	1. Indian Oil Corporation 2. Bharat Petroleum Corporation 3. Hindustan Petroleum Corporation
8	Cattle feed	1. Milma 2. Kerala feeds
9	Chicken feeds and pig feeds	1. Meet Products of India 2. Farms of Agriculture University
10	Seeds and seedlings	1. Seed Authority of India 2. Farms of Government of Kerala 3. Farms of Agriculture University 4. Agriculture Department 5. Horticulture Corporation
11	1. Chemical Fertilizers 2. Bio fertilizers	Cooperative Banks within the LSGI and as per the rate approved by Agriculture Department. (Note 3)
12	Equipment for physically challenged persons	1. Physically Handicapped Welfare Corporation 2. Artificial Limp Manufacturing Corporation of India.
13	Registers and forms	<i>Gramalakshmi Mudralaya</i>
14	Printing Works (for more than Rs. 2,000)	B. Centre for Advanced Printing and Training (C-APT) C. Kerala Books and Publication society D. Gramalakshmi Mudralaya

**Note 1:** Place the intend for the items in the shop by the concerned Anganwadi Worker with the prior approval of the ICDS supervisor ACDPO/CDPO. After delivery of items, the ICDS Supervisor ACDPO/CDPO remits the amount to the shop. (In the same manner of purchase of food materials from Maveli Stores for school noon meal programme)

**Note 2:** If MILMA milk is not available running contract shall be adopted

**Note 3:** If more than one such bank, procurement shall be distributed equally among them. If no such Cooperative bank is available within the LSGI, procurement can be made from Cooperative bank outside the LSGI.

### 3.8. Purchase from Firms allowed by Government

**3.8.1.** The items specified in Table 3.12 can be procured, without quotation/ tender, from the firms specified corresponding to the items in the table.

**Table 3.12: Items and Firms allowed by the Government**

#	Articles	Institutions specified by Government
1	Books	1. Book Mark 2. Government publishers (at maximum discount)
2	Steel Furniture	Steel Industries Kerala, at the rate approved by the Government.
3	Processed Rubber Furniture	Rubco at the rate approved by the Government
4	Wooden Furniture	Forest Industries Travancore, Alwaye.
5	Cattle Feed	Malabar feeds, a product of Kannur District Cattle Feed Production and Distribution Cooperative Society Limited. (If not available from MILMA and Kerala Feeds)
6	CF Lamps for Street Light	Kerala Rural Employment and Welfare Society (KREWS), Kasaragod

Note: If Government permits to purchase any item from a firm, Local Self Government can purchase from such firms without tender or quotation.

### 3.9 Procuring by Beneficiaries

#### 3.7.1. 3.9.1 Procuring of Agricultural Implements, etc.

Agricultural Implements, Pump Sets, and Sprayers shall be purchased by the Beneficiaries themselves, subject to the conditions given in Table 3.13.

**Table 3.13: Agriculture Items and Conditions for Procure through Beneficiaries**

Items	Conditions
Pump set, Sprayer and Other Agriculture Implements	1. Items must have ISI marks. 2. Agriculture Officer shall ascertain the lowest price prevailing in the locality. 3. Beneficiary can directly procure as per the rate specified by the Agriculture Officer or below such rate. 4. Subsidy to be credited in bank a/c of beneficiary by e-transfer. 5. Direct inspection to ensure actual purchase and quality. 6. Original bill to be produced to the Agriculture Officer by the beneficiary. 7. The Agriculture Officer shall certify the quality of the items purchased.

#### 3.9.2 Purchase of Cattle, Birds and Seed Fish

- i. Soon after the selection of beneficiaries of a project on supply of Cattle, Birds and Seed Fish, a meeting of beneficiaries of that project shall be convened and a 'Committee for Beneficiary Purchase' (CBP) as mentioned in Table 1.2 (Chapter 1) shall be constituted for each project.
- ii. The members of the CBP, after conducting individual/collective enquiries, shall decide in a meeting as to the place, mode, and cost of purchase. Quorum of the meeting shall be six. The attendance of

Convener, one 'prominent member' of the Procurement Committee, and official representative in the meeting of decision for purchase is mandatory.

- iii. Convener shall be responsible for recording and keeping attendance, minutes, and decisions of the Committee.
- iv. Purchase, shall be made only in the presence of at least three representatives of beneficiaries. Convener shall keep records to prove that purchase is made as above.
- v. After the purchase, the Convener shall personally inspect the stock and certify that purchase is actually affected. He shall conduct valuation after ensuring quality and certify it.

### **3.10. Two stage Tendering**

- i. In the following circumstances, tender shall be invited in two stages for the procurement of goods, assets, or services.
  - (a) Procurements for which advanced technologies applicable, and/or
  - (b) The LSGIs need the goods, assets, or services with specified technology design or knowhow, and/or
  - (c) The design/making of goods or assets requires specified Plant and Machinery.
  - (d) Procurement of goods and services having qualities which cannot be fixed earlier.
  - (e) Procurements in cases where prior fixation of all technical specialties and specifications is not possible.
  - (f) Those procurement is clubbed with services, assets and/or goods.
- ii. In two stage tendering system, technical proposals shall be obtained in the first stage.
- iii. On the basis of Scrutiny and expert opinion, the firms shall be short listed.
- iv. From the firms shortlisted on the basis of technical proposal, financial proposal can be invited.

## Chapter 4

### Execution of Procurement: Conditions for Contract

The Local Self Government Institution (LSGI) shall execute the procurement contract by signing the agreement with Supplier/Consultant. When the opening and finalization of the bid of Supplier/Consultant, LSGI shall inform the lowest bidder about the selection, receive security deposit and enter into contract. The LSGI shall monitor the progress of contract, receive goods and conduct proper verification and certification. The payment and record maintenance are the other responsibilities in connection with the procurement. The procedures to be followed from the signing of agreement to record maintenance are stated below.

#### 4.1. Signing of Agreement

- i. Local Self Government shall take purchase decision following all conditions and procedures given in this manual. On acceptance of tender by the Local Self Government, the concerned officers shall take follow up actions as mentioned below.
  - a. The Secretary of the Local Self Government shall publish the matter of acceptance of tender/quotation in the notice board and web site.
  - b. In the case of petty purchase up to Rs 5000, the officer responsible shall make the purchase within 30 days of acceptance of the purchase.
  - c. Procurement otherwise than on quotation/tender - The officer responsible shall issue communication to the firm (Table 3.11) within 15 days and initiate steps for procurement and in cases where Local Government has decided to purchase from firms exempted from quotation/tender by the Government, (Table 3.12).
  - d. Purchase through Quotation/Tender – The acceptance of Quotation/Tender shall be communicated by the Procurement Officer to the successful bidder along with supply order within 15 days by registered/speed post. In the same communication, s/he shall be instructed to sign the agreement (in stamp paper worth Rs. 100/-), in the format given in **Annexure IX** within 15 days and to remit sufficient Security Deposit. For this purpose form of Agreement shall be made available to the successful bidder.

- e. Agreement shall be signed within fifteen days of the supply order or notice. If the bidder fails to sign the agreement within fifteen days of receipt of supply order, the Supply Order will be automatically cancelled. If the bidder applies for extension of time in writing with valid reasons, the Local Self Government may extent time for signing the agreement up to a maximum of 30 days.

## **4.2. Security Deposit (SD)**

### **4.2.1. Security Deposit Conditions**

- i. Security Deposit at the rate of 5% of the total value of contract shall be obtained from the successful bidder. Minimum amount of Security Deposit shall be Rs. 500/- (Rupees Five Hundred only).
- ii. Security Deposit shall be taken in any of the following forms.
  - a. By cash, if the amount does not exceed Rs 1000/-.
  - b. By Crossed Demand Draft (Demand draft shall be remitted in the Bank/Treasury Account next working day of receipt).
  - c. Bank Guarantee from Public Sector or Scheduled Bank. Bank Guarantee shall be furnished in the format given in **Annexure XV**. Before accepting Bank Guarantee, its validity shall be checked with the Bank.
- iii. All Non-Government Organisations (NGOs) entering into service contract with the LSGI shall either remit 10% of the contract price as security deposit including tax or give bank guarantee for the contract amount, as performance guarantee.
- iv. Security Deposit/ Bank Guarantee shall be refunded after 90 days of the expiry of service contract, if the LSGI is satisfied that the performance of the Consultants is satisfactory.
- v. Earnest Money Deposit shall be treated as part of Security Deposit of the successful bidder and the balance amount need only be collected.

### **4.2.2. Exemptions from remittance of Security Deposit**

Firms owned by Central/State Government need not remit Security Deposit. This concession shall be available only in respect of goods manufactured by them and not available in respect of goods procured and supplied by them.

### **4.2.3. Forfeiture of Security Deposit**

Security Deposit shall be forfeited and credited to the account of LSGI in the event of breach of contract by the Supplier.

#### 4.2.4. Refund of Security Deposit

Security Deposit shall be refunded within a period of three months from the expiry of contract. However, In the case of goods covered by guarantee/warranty, refund shall be made only after the expiry of guarantee/warranty period. If any complaints are noticed during the guarantee/warranty period, they are to be considered and decided before refund.

### 4.3. Receiving of Goods

#### 4.3.1. Terms of Delivery

4.3.1.1. Unless otherwise specified, the cost of packing and transportation shall be borne by the supplier and the goods shall be delivered at the place, mentioned by the Local Self Government in the supply order.

4.3.1.2. Machinery and equipments shall be erected at the place shown by the Local Self Government and erected at the expense of the supplier. The physical facilities for the same shall be provided by the Purchasing Officer. The Purchasing Officer shall be liable for any loss due to non-provision of such facilities.

#### 4.3.2. Acceptance of Goods

Purchasing Officer, while accepting goods, shall ensure the conditions specified in Table 11.2 are satisfied.

**Table 4.1 Conditions to accept goods**

#	Goods supplied
1	Are as per specifications
2	Are of good quality
3	Are comply with the type, measurement, strength and material of manufacture as given in the Supply Order.
4	Are new
5	Do not have defect or damage
6	Follow ISI/Agmark standards and bear such mark (if agreed upon in contract)
7	Are as per sample (in case sample was given)
8	The machinery/equipment functions satisfactorily
9	By the Supplier has submitted certificate of technical examination by approved agency (if the contract bears such condition)

#### 4.3.3. Certification of Goods

- i. A certificate in **Annexure XIV** shall be prepared after verifying the factors mentioned above. Generally such certificate is to be prepared by the Procurement Officer. In cases where the Procurement Officer is not able to certify the goods with her/his own expertise or s/he is not having required expertise, certificate is to be obtained from a competent officer.

- ii. Procurement of steel/wooden products not exceeding Rupees one lakh shall be certified by the Engineer of the Local Self Government.
- iii. The quality of steel products shall be certified by Government/Aided Engineering Colleges, when a procurement exceeds Rupees One lakh. In the case of Procurement of wooden products for more than Rupees one lakh, their quality shall be certified by an officer not below the rank of Range Officer in the Forest Department. The responsibility to obtain certificate rests with the supplier.
- iv. The certificate should name the wood-Teak, Rose wood, Irul, Anjali or treated rubber- with which the wood product is made of.
- v. If electric bulbs/tubes etc, not having ISI mark their guarantee period shall be specifically stated in the Supply Order and their quality shall be certified by Electrical Engineering Department of Government or Aided Engineering Colleges. Responsibility to obtain the certificate rests with the supplier.

#### **4.4. Payment for Procurement**

##### **4.4.1. Conditions for Payment**

Payment for Procurement shall be made on satisfying the following conditions:

- (i) Satisfactory delivery of the goods
- (ii) Certification as in the format given in **Annexure XIV** has to be obtained.
- (iii) Entry in Stock Register. After entry in stock register serial number of the item in the stock register shall be written on the bill of the item.
- (iv) Physical marking of asset.
- (v) Entry in Asset Register, if the goods fall under assets. After entry in asset register serial number of the item shall be written on the bill of the item and in the stock register.
- (vi) The officer making the payment shall certify in the bill that the above conditions have been satisfied.

##### **4.4.2. Advance Payment**

Payment shall be made only on fulfillment of the procedure prescribed above. But advance payment shall be made if permitted by any Government Order.

#### **4.5. Maintenance of Records**

##### **4.5.1. Record of Process**

All records and registers related to the Procurement shall be kept by the concerned PO and shall be produced before the LSGIs during audit. The attendance, minutes and decisions of social Audit

Committee, and Procurement Committee shall be recorded, kept and produced for audit by the Secretary and POs. Procurement Officer shall obtain certified copies of decisions and keep in his files.

#### **4.5.2. Recording in Stock and Asset Registers**

All the goods Procured, whatever may be the purpose, (including for distribution to individual beneficiaries) shall be entered in the Stock Register. All items forming the asset of the Local Self Government (excluding goods distributed to beneficiaries and consumables) shall be entered in Asset Register.

## Chapter 5

### Procurements Need Special Attention

#### 5.1 Procurement of Anganwadi Feeding materials

- i. Procurement of feeding materials for Anganwadis shall be as provided in serial Nos. 4, 5 and 6 in Table 3.11.
- ii. Quality, Quantity and stocking of Anganwadi feeds in Grama Panchayats and Urban LSGIs shall be checked at least once in a month personally by members of the Social Audit Committee. On the basis of this, Social Audit Committee shall prepare a report and submit to the Local Self Government.

#### 5.2 Procurement of Toys and Play Materials for Anganwadis

- 5.2.1. A Committee for Procurement of Toys and Play materials mentioned in Table 1.3 of Chapter 1 shall make the need assessment and recommend Procurement of toys in cases where their standard and specification cannot be fixed, since the toys and play materials Procured should be appropriate to the age and size of the children.
- 5.2.2 The responsibility for forming the Committee rests with Local Self Government. The Procurement Committee constituted as per Table 1.1 of Chapter 1 shall consider the recommendation of the above said Committee before they give their recommendation to Local Self Government.
- 5.2.3. Quorum of the Committee shall be three. The Chairperson and Convener should invariably be present.

#### 5.3. Procurement of Machinery and Equipments for distribution to various Committees

In the case of agricultural machinery and equipments Procured by Local Self Government and entrusted to Registered *Padasbekara Samithis*, Registered Labour Banks, *Kudumbasree* Self Help Groups, etc., the concerned Agriculture Officer shall obtain a monthly report on their utilization, working, income and expenditure and upkeep from the agency to which it was entrusted. The Agricultural Officer shall examine the report and submit for audit. A copy of the logbook shall also be obtained in the case of Tractor, Tiller, Harvester, Planter and Thrasher. The entrustment of machineries and equipment to such agencies shall be on the basis of an agreement and such other conditions as specified by Government from time to time.

#### **5.4 Procurement of Books**

Books not available with Bookmark shall be procured from Government Publishers at their maximum discount or from private publishes on quotation. Possibility of getting maximum discount shall be sought by sourcing directly from publishes or by obtaining quotations from various distributors. Procurement for more than Rupees Two thousand shall be on quotation, if it is not from Government Institutions.

#### **5.5 Procurement of Furniture**

5.5.1 Furniture made of high quality wood such as Teak, Rosewood, Irul, Anjili, and Processed Rubber shall only be procured. In the case of wooden furniture name of the wood and thickness shall be specified in the indent/quotation/tender/supply order.

5.5.2 In the case of steel furniture, the nature of the steel (GI/MS/stainless etc) and gauge of the steel shall be specified in indent/quotation/tender/supply order.

5.5.3 Certification of Furniture shall be submitted as stated in Chapter 4.3.3

#### **5.6 Procurement of Vehicles**

The Local Self Government shall seek permission for the Procurement of any vehicles. The specification, type, make, and estimated cost of the vehicle shall be produced along with the request of permission. Vehicles shall be Procured only after getting permission from the Government.

#### **5.7 Procurement of land**

Procurement of land shall be in accordance with Kerala Panchayat Raj (Acquisition and disposal of property) Rules 2005.

#### **5.8 Annual Maintenance Contract**

Local Self Government may enter into Annual Maintenance Contract for the goods on the conditions and rates approved by Government from time to time.

#### **5.9 Buy Back Offer**

- i. When it is decided by the Local Self Government with the recommendation of Procurement Committee to replace some existing old goods with their newer and better versions/substitutes, the Local Self Government may trade the existing old goods/materials while purchasing the new ones. For this exchange, adequate clauses are to be incorporated in the tender notice so that the

interested bidders can formulate and submit their tender accordingly. Provision should also be written in the tender notice to permit the interested bidders to inspect the old goods/materials to be traded through this transaction.

- ii. Appropriate provision should also be written in the tender notice allowing the Local self Government to reserve its right to trade or not to trade the old ones while purchasing the new ones. The bidders are to be asked to frame their tenders accordingly covering both the options (i.e. With buy back and without buy back).
- iii. Depending on the value and conditions of the old goods to be traded, the time frame as well as the mode of handing them over to the successful bidder should be decided. The relevant details in this regard shall be suitably incorporated in the tender document.

## **5.10 Specific Conditions for Procurement of Services**

- (i) Only those services that are not available from within the LSGI, including professional and technical expertise under the control of the Local Self Government shall be procured.
- (ii) In case where it becomes necessary to procure services, it is to be examined whether such services are available from Government Institutions such as Universities, Government Engineering/ Medical Colleges, Community Medicine Department in Medical College, Regional Cancer Center, Institution like K-STED, etc., either free of cost or otherwise. If services are available from them that should be availed off. Proposals shall be requested from one or more institutions. Security deposit need not be taken from them. In cases where Government has ordered that Procurement of a particular service shall be made from a Government Institution, such service shall be procured directly after signing the contract.
- (iii) Procurement of services from Non-Governmental Organisations (NGOs) shall be made only on open tender method. If Government permits the Procurement of any service without tender or quotation through a Government order, such Procurement shall be made without open tender.

## **5.11 Types of Service Contracts**

Out of the three types of service contracts shown below most appropriate one shall be selected by Local Self Government

### **(i) Lump sum contract**

Lump sum contract is applicable in the case of services where in each activity is determined in advance and the rate for each activity is fixed in advance.

**(ii) Time based contract**

Time-based Contract is applicable in cases where the period of service cannot be determined in advance and contracts shall be clearly stated on hourly/daily/monthly rates. Maximum of the period shall also be mentioned in the contract.

**(iii) Percentage based contract**

If the procurement includes the components of goods as well as services, Percentage-based Contract is applicable. The percentages components shall be specified in the agreement.

## **5.12 Tender Register**

The details of the proposals shall be written in the Tender Register for Services by the officer who opens the proposal. (The format of the register is given in **Annexure VI**).

## **5.13 Violations of Contract**

Losses sustained to the Local Self Government on account of violation of the conditions or quality of service given in the proposal or provisions of the contract shall be recovered from the contracting firm.

## **5.14 Procurement of Services containing Plants, Machinery, Materials and Civil Works (Turn Key Contract)**

- i. Procurement of service to be provided by erection of plants and machinery, by using materials or by executing civil works shall be made, including from Government Institutions, only through open tender process. (Para 3.3 Chapter 3). All the procedures mentioned in case of procurement of services are applicable for Turn Key Contract Procurements. (See Para 3.10 in Chapter 3).
- ii. In cases where Government have ordered that Turn Key Contract shall be made from Government Institutions, direct Procurement shall be made from such institutions. Security Deposit need not be collected from Government Institutions.
- iii. In case where Government have insisted for a particular NGO for Turn Key Contract, proposal shall be received directly from such institution without newspaper advertisement.
- iv. Proposal submitted for Turn Key Contract shall contain following details. These requirements shall be shown in the Tender Advertisement itself by the Local Self Government.
  - i. Detailed specifications of plant/machinery/equipment/material
  - ii. Price of the plant/machinery/equipment/material including transportation to the site shown by the Local Self Government, erection and commissioning

- iii. The facilities to be provided by the Local Self Government at its cost for erection of the plant/machinery/equipment/material.
- iv. In cases involving civil works, detailed estimate as per public works rules and rates. Such estimate should be scrutinized and its acceptability certified by an engineer of Local Self Government Department competent to give technical sanction for works having such estimate.
- v. Details of staff required for providing the service (staff required in each category, service period, monthly remuneration, total staff cost etc.)

**5.15. Criterion for Selecting Consultants**

- (i) Selection of Consultants shall not be made only on consideration of the rates, quality of technology, and the conditions put forth in the proposal. Their working capacity and quality of service shall also be considered. The criteria for this are given in Table 5.1.

**Table 5.1: Criteria for Selecting Consultant.**

Sl. No.	Criteria	Weightage (%)
1.	Working experience	10-15
2.	Technology	15-25
3.	Key persons providing service, their educational qualifications and working experience of 3 Years	20-25
4.	Success of previous endeavors	10-15
5.	Financial position	15-25
	<b>Total</b>	<b>100</b>

- (ii) Firms scoring minimum 70 percent weightage only shall be considered for selection. In order to select a firm of excellence from those scored more than 70% weightage, Local Self Government may conduct a second stage selection on the basis of separate criteria and weightage fixed in advance considering the peculiarities of the service (consult with experts for fixing criteria and weightage). But all the details should be called for along with the proposal.
- (iii). Details not called for, shall not be considered as the selection criteria.

**5.16. Payment for Services**

- i. Payment for the services shall be made on certification by the Procurement officer in consultation with the experts.
- ii. If the State Government prescribes any process of certification, payment shall be made after the certification and acceptance of Procurement Officer.

iii. In cases where advance payment is demanded by the Consultant and Procurement Committee and the Local Self Government is convinced that advance payment is necessary by the procurement Officer (as demanded by the firm) such advance payment shall be made.

## Chapter 6

### Roles and Responsibilities in Procurement

The Officials and Committees concerned with procurements are duty bound in the procurement process as envisaged by this Manual. Any omission or lapses in performing the duties on procurements shall lead to liabilities as detailed below.

#### 6.1. Duties of Officials and Committees

##### 6.1.1. Procurement Officer (PO)

The PO is the initiator, motivator, implementer and evaluator of the procurement proposal. The PO shall:

- i. Collect data – from primary sources (stakeholder consultation/key informant discussion) and secondary sources (own records, files, other documents, other offices and documents) - for need assessment of procurements.
- ii. Consult with technical and financial experts, after obtaining permission from LSGIs.
- iii. Fix specification of goods, assets and services.
- iv. Prepare sources of procurements (Identification of Supplier/Consultant).
- v. Ensure Budget provision.
- vi. Identify of modes of procurements.
- vii. Prepare and submit procurement proposal to enable the Secretary of LSGI for the preparation of APP on a time bound manner.
- viii. Maintain records on procurements and proactively disclose records viz..
  - a. Procurement Plan,
  - b. Proof of advertisement,
  - c. Tender/quotation notice,
  - d. Feasibility reports (in consultation with experts),
  - e. Received tenders,
  - f. Details of opening tender,
  - g. Minutes, attendance,
  - h. Copies of contract signed,
  - i. All receipts, payment records (copy of voucher),
  - j. Record of verification of goods, assets, services received, etc.,

- k. Process & tools of monitoring, record of storage and closure of contract.
- ix. Initiate procurements within the time limit specified as in para 4.1.

### **6.1.2. Secretary**

Secretary of LSGIs shall be the Convener of the PC and also the PO. Hence the Secretary shall perform all the duties of PO for the projects in which the Secretary is PO. In addition to this, Secretary shall:

- i. have the sole responsibility of consolidating proposals, preparing APP, and submitting it to the PC.
- ii. Convene meeting, maintain documents of meeting, and initiate all the processes of procurements.

### **6.1.3. Procurement Committee (PC)**

PC being the authority to recommend, advice, and monitor the APP, shall:

- i. Consolidate Procurement Proposals submitted by the POs,
- ii. Get it recommended by the Procurement committee and submit the consolidated proposals to the LSGIs with recommendations.

### **6.1.4. Local Self Government Institutions (LSGIs)**

The LSGIs shall:

- i. Monitor the preparation of APP,
- ii. Appraise APP submitted by the PC and approve it based on the appraisal,
- iii. Monitor the procurement process and ensure its time bound progress.

### **6.1.5. Supplier/Consultant**

The Supplier/Consultant shall:

- i. Enter in to contract with the LSGIs within 15 days of receipt of intimation.
- ii. Supply the goods/ service within the firm period by fulfilling the specifications and requirements.

## **6.2. Liability**

- i. All the parties involved in the procurement process shall be jointly and severally liable for non-performance, part performance and wrong performance of functions in each and every stage of the procurements that they are involved and negatively affected the LSGIs.

- ii. Any loss sustained to LSGI for not adhering to the provisions of this Manual or violation of the procedures prescribed there in shall be recovered from the concerned Elected Representatives, Officials, members of various Committees, or Suppliers/Consultants who are responsible for the loss in the manner prescribed in section 16 of Local Fund Audit Act. Besides, if Elected Representatives are responsible for the loss, their membership shall be lost as per section 35 (0) of Kerala Panchayat Raj Act or Section 91 (N) of Kerala Municipalities Act.

#### **6.2.1. Liability on Procurement Plan**

- i. All procurements made by the LSGI shall be in accordance with the approved Annual Procurement Plan (APP); exception being emergency procurement. (Definition of emergency procurement is given in para x of Chapter 1).
- ii. The Elected Representatives, Secretary and Procurement Officer, who are responsible and involved in APP shall be jointly and severally liable for any procurement that are contravening to APP.
- iii. The liability in the aforesaid situation shall be fixed on such amount of procurement with treasury interest from the date of disbursement and recovery of amount.

#### **6.2.2. Approval of Local Self Government**

- i. All procurements (except emergency procurements) shall be made only with the prior approval of the LSGI.
- ii. LSGI shall approve the procurement only after considering the recommendations of the Procurement Officer and Procurement Committee.
- iii. The Elected Representatives shall be jointly and severally liable any loss sustained to the LSGI due to the decision taken by them against the recommendation of the Procurement Officer/ Procurement Committee.
- iv. The liability shall be imposed only against those who are present in the meeting and who have not expressed dissent note in the matter.

#### **6.2.3. Liability of the Officer inviting tender/quotation and entering into Contract**

- i. The Procurement Officer shall be liable for the deficiencies and shortfalls in the description of articles, assets, or services and their specifications, provisions and conditions given in the notice.

- ii. Any loss sustained to LSGI due to such defects shall be recovered from the Procurement Officer. In cases where specifications and conditions are fixed by Government, the liability of the Officer shall be exempted to that extent.

#### **6.2.4. Liability of the Officer/Procurement Committee conducting Technical Scrutiny**

If any goods, assets, or services procured by the LSGI cannot be used due to deficiency of technical scrutiny, the loss there of, the Officer/Committee conducting such technical scrutiny shall be the liable.

#### **6.2.5. Liability of the Procurement Officer**

If goods, assets or services procured are not used, cannot be used, misused or handed over for misuse, the resultant loss of LSGI shall be recovered from the Procurement Officer.

#### **6.2.6. Liability of Bidder**

- i. All the Bidder shall, on demand by the LSGI within the firm period, be liable to enter into contract with the Local Self Government and supply goods/services as per the contract.
- ii. The Bidder shall be liable for all losses sustained by the LSGI due to not entering into contract or violating the conditions of the contract and such loss shall be recovered from the firm or contractor concerned and they shall be black listed.

#### **6.2.7. Cartel Formation and Pool Rates**

Sometimes a group of bidders quote identical rates against a Tender. Such pool/cartel formation and pool rates are against the basic principles of competitive bidding and defeats the very purpose of open and competitive tendering system. Such practices should be severely discouraged with strong measures like black listing. Suitable administrative actions like rejecting the offers, reporting the matter to Store Procurement Department shall be initiated against such firms.

#### **6.2.8. Black Listing**

- i. The LSGI shall have the right to black list any firm after recording the reasons there of, if:
  - (i) The firm fails to sign the contract agreement though demanded to do so by the LS GI within the firm period,

- (ii) Violate the provisions of the contract,
  - (iii) Goods/Services supplied happens to be of below standard, or
  - (iv) Resort to improper means to get the contract.
- ii. Before Black listing a firm, the LSGI shall conduct an enquiry and give an opportunity to the firm to explain their side.
- iii. The LSGI shall send the name of the black listed firm to the District Collector within 10 days.
- iv. The District Collector on receipt of the intimation for blacklisting shall conduct necessary inspections and enquiries giving an opportunity to the LSGI and black listed firm to explain their sides. If the District Collector arrives at the conclusion that the black listing is justifiable, the District Collector shall blacklist the firm, publish it in the news papers and intimate all LSGIs and Stores Procurement Department. If the advice of a technical expert is necessary for the purpose, the same shall be sought from the expert.
- v. Based on the proceedings of the District Collector, the name of the black listed firm and the reasons for black listing shall be published in the website of LSGI and LSGD and also in the notice board of the LSGI.
- vi. No LSGI shall procure any goods, assets, or services from the blacklisted firm for the succeeding ten years.

### **6.3. Complaint Redressal**

#### **6.3.1. Social Audit**

- (i) All Procurements of goods, assets and services by LSGIs shall be subjected to Social Audit. For this purpose, a Social Audit Committee shall be constituted by the Local Self Government as per the provisions of Social Audit Manual.
- (ii) The Committee shall report the audit report to the LSGI in a time bound manner.
  - a. The nutrition food products of Anganwadies in monthly basis.
  - b. Within one month of the completion of procurement of goods, assets, or services.

#### **6.3.2. Complaint Redressal Mechanism**

- i. There shall be a strong and effective mechanism to redress the complaint relating to the procurements.
- ii. Complaint Redressal Register (**Annexure XVI**) shall be maintained at the level of:

- (i) Procurement Officer
- (ii) Procurement Committee
- (iii) Local Self Government Institution
- (iv) Social Audit Committee

- iii. The complaints received by LSGI and action taken there on shall be published in the Notice Board and Website.
- iv. Complaints received by the Procurement Officer, Procurement Committee and Social Audit Committee shall be enquired into by them and sent it to the LSGI along with their enquiry report. Action taken there on by the LSGI shall be published in the website and Notice Board of the LSGI and communicated to the Purchasing Officer/Committee concerned.
- v. Receipts shall be given for complaints received by LSGI and the action taken shall be intimated to the complainant in writing within thirty days.
- vi. LSGI shall take action against those found guilty on the basis of the enquiry conducted on the complaints.
- vii. If the Officer concerned or the LSGI fails to take appropriate action on any complaint in thirty days, the complainant shall approach the District Collector or the Ombudsman.

## Annual Procurement Plan of Local Government – Year.....

[See 1.3(ii)]

Name of the Local Government:.....																
Sl. No.	Name of Article, Description	To which Institution /Office / Activity	Detailed Specifications /Standards/ Guarantee	Unit Cost	Quantity required	Total Estimate Cost	Purchase by utilising Non-plan fund/project fund	Source of fund					Mode of Purchase	Purchase in single lot/in phases	Time of Purchases (Month)	Name of Purchasing Officer
								Own Fund	Development Fund	Maintenance Fund	Department fund	Others (Specify)				
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17

After approval by Local Government the decision along with number and date shall be recorded as follows.

Above purchase plan was approved as decision no..... of the meeting of the Local Government held on .....

Date:

Office Seal

Name : .....

Signature : .....

(Secretary)

## Contents to be included in the Feasibility Reports

[See 2.2.iv.]

The technical feasibility study is to ascertain whether the procurement of product or service benefits the LSGI.

Name of LSGI.....

Name of Project:

Content Skelton for Technical Feasibility Report

Objectives	Components	Benefits	Utility
	Material*		
	Labour#		
	Transportation@		
	Physical Location**		
	Technology needed***		

*\*Parts needed to produce the product, supplies, other materials and its specifications*

*#Skill and qualification needed for the worker to produce the product or render service*

*@ mode of conveyance from the production centre to LSGIs*

*\*\*requirements of the location in which the product is going to install or render services.*

*\*\*\*\*technological specification needed for the service or product.*

### Financial Feasibility Report – Skelton of contents

#### I. Investment

#	Elements	Initial investment	Running cost	Maintenance cost	Total
1	Total estimated cost				
2	Source of fund				
3	<i>Existing Investment</i>				
4	<i>Repayment</i>				

#### II. Recurring Expenditure/Income/ Future liabilities

##### i. Recurring Expenditure Per month/Year

a. Cost of Raw Material

b. Cost of Transportation

- c. Cost of Fuel/Energy
- d. Cost of Labour
- e. Cost of Maintenance
- f. Contingency expenses if any
- g. Total

**ii. Income Forecast**

- a. User Fees
- b. Budget Allocation from Own Fund
- c. Ear marked fund from grand receivable
- d. Sales
- e. Donation
- f. Total

**iii. Future Operational Liabilities**

- a. Staff Appointment and Management
- b. Proper Accounting, Book keeping and Reporting
- c. Cost of Depreciation and Maintenance
- d. Cost of legal measures if any anticipated such as pollution

**III. Repayment sensitivity**

- i. Amount of repayment
- ii. The time lag available repayment
- iii. Constraints and contingencies in availability of surplus funds

**IV. Benefits from the project**

**V. Comparison with Alternatives available in terms of costs and benefits.**

**Procurement Proposal Form - year .....**

[See 2.6.1.]

Name of the Local Government : .....

Name & Designation of the officer proposing purchase : ..... Date : .....

Proposal Number and Date : .....

Sl. No.	Name of the article, Descriptions/ Standards/ Guarantee period	Detailed Specification	Unit Cost	Total Quantity required	Total Estimated Cost	Purchase by utilising Non Plan Fund/project Fund	Expected Source of Fund					Mode of purchase	Purchase single lot/in phases	Time of purchase (month)	Name of Purchase officer
							Own Fund	Development Fund	Maintenance Fund	Department Fund	Other finds (specify)				
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16

\*Separate forms to be used for project/non project purchase.

Date :

(Office Seal)

Signature :

Name :

Designation :

(Officer who submit the proposal)



3. Withdrawing from quotation when required to sign the contract, refusing to sign the contract with in the appointed date, make delivery violating specifications and deliver substandard materials etc, will entitle cancellation of the Quotation and purchasing the goods at the risk and cost of the quotationer. Any loss sustained due to such purchases shall be recovered from the quotationer. Besides he will be blacklisted and the matter shall be reported to the District Collector and Stores Purchase Department for further action.
4. In cases where samples are to be submitted the list of sample shall be submitted in a separate sealed cover along with the quotation. Samples are to be submitted directly at the expense of the Quotationer. Local Government may return or not return the sample at its discretion.
5. After confirmation of the Tender any demand for increase in price will not be accepted.
6. Any unlawful interference for acceptance of quotation will be a disqualification.
7. If any permission or license from any authority is required for using the goods delivered it should be (including the authority) clearly stated in the quotation.
8. In the case of machinery the firm shall give its user specifications, safety measures and precautions to be taken while effecting supply.
9. Quotation shall be submitted for all or any of the items shown in the table. But for a particular item the whole quantity shall be quoted.
10. If the supply of the goods is partially made and fails to supply the balance in time the undelivered portion shall be purchased at the risk and cost of the quotationer and any loss thereof will be recovered from the contractor. In such cases payment for partial supply shall be made only after the completion of the process.
11. The amount quoted should be inclusive of all taxes duties, cess, packing and transportation charges and installation and commissioning charges (Wherever applicable)
12. Payment shall be made within fifteen days after examination by the purchasing officer and taking into stocks. In the case of machinery and equipments payment will be made after certifying that the machines are functional. The responsibility to obtain the certificate from the concerned authorities rests with the supplier.
13. In the case of goods having guarantee/warranty, security deposit will be returned after the guarantee/warranty period. In case of any complaint decision on refund will be taken after considering the complaints.
14. If any rebate is available for speedy (eg. 7 days/10 days) payment the same can be shown in the Tenders)
15. Local Government will be free to adjust any amount due from the supplier from the cost of the goods supplied.
16. The officer entering in to the contract will have the right to include any condition not contrary to the provisions in the purchase manual in the contract.
17. Local Govt. reserves the right to reject any tender without assigning any reason.
18. Further details are available from the office if requested in writing.

**SCHEDULE OF MATERIALS REQUIRED**

Sl. No.	Name of the item and Description	Detailed Specification	Standard – ISI/BIS/ BEE etc.	Guarantee, Period Years, Months	Quantity required	Unit (Kg., litre, metre etc.)
1	2	3	4	5	6	7

Sl.No. of the items which require sample .....

Date before which complete supply is to be made .....

Place/Institution/Office where delivery is to be made .....

Any Special Conditions Stipulated by Purchasing Officer or Local Government

- 1.....
- 2.....
- 3.....
- 4.....
- 5.....

Name :  
 Signature :  
 Designation :  
 (Quotation Inviting Officer)

Date :

Place : (Office Seal)

## Form for Submitting Quotation

[See 3.2.2]

1. Name of the Local Government : .....
2. Designation and address of the officer who invited Quotation : .....
3. Quotation Number and date : .....
4. Date and time of opening Quotation : .....
5. Firm period (30/45/60/75/90 days/.....) : .....
6. Period with in which supply can be completed: .....
7. Whether samples and their list submitted :    Yes     No     Not Applicable
8. Quoted items and rate

Sl.No.	Name and description of the item (As per Quotation Notice)	Detailed specification	Standard (ISI, BIS, BEE, etc..)	Guarantee Period offered	Quantity required as per Quotation notice	Unit (Kg., Liter, Meter etc..)	Total amount quoted in figures (Rs)	Total amount in words (Rs)
1	2	3	4	5	6	7	8	9

9. In the case of machinery details of running cost :.....  
.....  
.....  
.....

10. Declaration

I/we agree to supply the goods mentioned above at the rates quoted above and as per the conditions mentioned there in. I/we also agree to abide by the conditions given in the notice inviting quotation

Additional Information (if any)

.....  
.....  
.....

Name :.....

Signature :.....

Full Address of the firm :

.....  
.....  
.....  
.....  
.....

Date :

Place :

(Including phone number , Email id, TIN No, TAN No,  
Bank Account No, Name of the Bank)

## Quotation/Tender Register

[See 3.2.2 and 5.12]

1. Name of the Local Government : .....
2. Designation of the Officer opening the Quotation/Tender : .....
3. Tender/Quotation Number, Date : .....
4. Date and time of opening Quotation/Tender: .....
5. Name and Signature of the Social Audit Committee Members present at the time of opening of Quotation/Tender
  - (i) .....
  - (ii) .....
6. Name and signature of the tenderers present at the time of opening of Quotation/Tender
  - (i) .....
  - (ii) .....
  - (iii) .....
  - (iv) .....
7. Details of Quotationers/Tenders received

Sl. No.	Name of Quotationer/ Tenderer	Amount of EMD remitted (Rs)	No. and Date of Receipt of EMD	To be written after opening			
				Name of each item given in Quotation/ Tender	Price quoted for each item (in figures and in words)	Defects if any in the Quotation/ tender	Signature of the officer who opened Quotation/Tender
1	2	3	4	5	6	7	8

Note : After the last entry the words 'Entry Closed' shall be written as the next line and attested by the officer who opens the Quotation/Tender and two encumbers of the Social Audit Team

Name :

Signature:

(Officer who opened Quotation/Tender)

### Tabulation statement of Quotation/Tender

..... Panchayat/Municipality/Municipal Corporation

[See 3.2.2]

**(To be prepared by the officer who opened Quotation/tender)**

1. Quotation/Tender no. : .....
2. Date and time of opening of Quotation /Tender : .....
3. Tabulation statement of item No. of Quotation /  
Tender Notice\* : .....
4. Name of the article : .....
5. Specification as per Quotation /Tender Notice : .....
6. Quantity required as per Quotation/Tender Notice : .....
7. Details of Quotation /Tender received

Sl. No.	Name of the Quotationer/ Tenderer	Specification as per the Quotation / Tender Submitted	Standard (ISI, BIS, BEE etc)	Guarantee Period offered	Amount Quoted (in figures)	Amount quoted in words	Firm period Offered	Date of supply Offered	Addl. information in Quotation/ Tender	Remarks and Recommendation of the officer
1	2	3	4	5	6	7	8	9	10	11

\*Separate tabulation sheet shall be prepared for each item in the Quotation /tender

Note : After the last entry the words 'Entry Closed' shall be written and signed by the implementing officer

Place :

Name :

Signature :

Date :

(Office Seal)

Designation :

### Remarks and Recommendation of the Purchase Committee

Decision No. and Date : .....

Decision and Recommendation (Record): .....

.....

.....

Date:

Name and Signature  
(Chairman ,  
Purchase Committee)

Name and Signature  
(Convener,  
Purchase Committee)

### Decision of the Local Government

Decision No and Date : .....

Decision (Record) : .....

.....

.....

Date :

(Office Seal)

Name, Signature  
(Secretary)

FORM OF SUPPLY ORDER

SUPPLY ORDER

..... Grama/Block/District Panchayat/Municipality/Muni. Corporation

[See Table 3.2.2]

Supply Order No.:..... Date :.....

Office :..... Station:.....

Telephone No :..... E-mail:.....

From  
.....  
.....

To  
.....  
.....

Subject :.....

Reference 1). Quotation/Tender notice no..... dated ..... for the purchase of .....

2).Quotation /Tender submitted by .....  
..... on .....

Dear Sirs,

Your offer to supply the materials as detailed in the list appended is accepted subject to the conditions mentioned below. Please effect the supply according to the special conditions given below, the instructions in the notes below and in accordance with the list of materials appended. The special conditions, if any, printed on your Quotation/Tender sheets or attached with your quotation/tender will not be applicable to this order unless they have been expressly accepted in the list appended. (If any condition is accepted by the Local Government the list should be attached).

An agreement has to be executed by you in the prescribed form on stamp paper of value rupees 100 purchased in the Kerala State after furnishing a security of Rs. .... within 15 days of receipt of this supply order for the due fulfillment of the contract. If you fails to execute the contract within 15 days after receipt of this communication, the supply order stands cancelled. Payment on account of supplies against this order is liable to be withheld until the agreement is executed. The earnest money will be refunded on furnishing the required Security Deposit for the contract. Bank draft for the security should be drawn in favour ..... . Cheques are not acceptable. The Security Deposit may be made in cash also and in such cases the cash should be remitted in the office.

Special Conditions .....  
.....  
.....

Yours faithfully,

Name :.....

Signature :.....

Designation:.....

(Purchasing Officer)

**NOTES**

1. The packages should be marked .....
2. They should be insured to destination viz.....
3. The contents of the packages should be STRICTLY CONFINED to this order.

4. INVOICES IN TRIPLICATE SHOULD BE DRAWN ON AND FORWARDED FOR PAYMENT TO ..... (H.E. Name of Purchasing Officer)
5. Acknowledgement of and all other communications regarding this order may be sent to the Purchasing Officer who has placed this order.
6. In all future correspondence and bills relating to this order the number and date at the top should INVARIABLY be quoted.
7. SEPARATE BILLS SHOULD BE SENT FOR EACH ORDER
8. The consignment will be paid for only AFTER RECEIPT AND INSPECTION of the articles by Competent Official.

**List of materials accepted and to be supplied**

Item No.	Name of Materials and Description	Specifications in detail	Standard (ISI, BIS, BEE etc.)	Guarantee Period	Quantity	Unit (Kg., Litre, Metre etc.)	Amount in Figures (Rs.)	Amount in words (Rs.)	Remarks
1	2	3	4	5	6	7	8	9	10

N.B: The specifications, quantities, price, etc., are subject to correction. Errors or omissions, if any, will be intimated within ten days from this date.

Name, Signature and Designation  
of Purchasing Officer

Date : ..... (Office seal)

**FORM OF AGREEMENT**

[See 3.2.27]

AGREEMENT executed ..... day of ..... 20..... between .....  
.....(hereinafter called “the Contractor”) and  
.....  
(H.E. the name and designation of the officer) for and on behalf of .....  
Grama/Block/District Panchayat/Municipality/Municipal Corporation (hereinafter called “the  
Local Government).

WHEREAS the Contractor has tendered for the supply of articles for the use of the Local  
Government as per quotation/tender Notification No. ....dated .....  
published on the notice board and website of the Local Government and also in the news  
papers namely .....  
on ..... which quotation/tender notification shall form part of this Agreement as if  
incorporated herein.

“AND WHEREAS the Local Government/Purchasing Officer have/has been pleased to accept the  
offer subject to the conditions stipulated in the Supply Order No..... dated ..... (which  
shall form part of this agreement as if incorporated herein) in respect of the articles mentioned  
therein.”

AND WHEREAS the contractor has as security for the due fulfillment of his obligations under  
this deed deposited Rs. .... (in words)..... only being  
5 per cent of the estimated value of the contract as Cash/Demand Draft/ in the form of a letter  
of guarantee for such amount from ..... Bank approved  
by the Local Government.

**NOW THESE PRESENTS WITNESS AS FOLLOWS**

1.(a) In cases where along with the quotation/tender samples have been forwarded to the Local  
Government and the samples approved, the Contractor agrees to supply the materials  
according to the approved sample. In other cases the Contractor agrees to forward samples to

Local Government for approval if so required and then to supply materials according to such approved samples. When the samples are not required, the Contractor agrees to supply according to standard specifications.

Samples forwarded by the Contractor to the Local Government will not be paid for and shall be the property of Local Government but the Local Government are at liberty to return them to the Contractor on the completion of his contract. All samples must be clearly labeled showing to what particular items tendered for they relate and they should be of sufficient size and quantity to enable the Local Government to see if the supplies made are according to the approved samples.

(a) The Contractor hereby declares that the goods sold to the buyer under this contract shall be of the best quality and workmanship and shall be strictly in accordance with the specifications and particulars contained in the copy of the order attached herewith and the contractor hereby guarantees that the said goods would continue to conform to the description and quality aforesaid for a period of .....days/months from the date of delivery of the said goods to Local Government and that notwithstanding the fact that the Local Government may have inspected and/or approved the said goods, if during the aforesaid period of .....days/months the said goods be discovered not to conform to the description and quality aforesaid or have deteriorated (and the decision of the Local Government in that behalf will be final and conclusive) the Local Government will be entitled to reject the said goods or such portion thereof as may be discovered not to conform to the said description and quality. On such rejection the goods will be at the contractor's risk and all the provisions herein contained relating to rejection of goods, etc., shall apply. The contractor shall if so called upon to do replace the goods, etc., or such portion thereof as is rejected by the Local Government. Otherwise the Contractor shall pay to the Local Government such damages as may arise by reason of the breach of the condition herein contained. Nothing herein contained shall prejudice any other right of the Local Government in that behalf under this contract or otherwise.

2. Requests for enhancement of rates once accepted will not be considered.

3. The articles and quantities to be supplied are shown in the copy of the supply order, No..... and date..... attached herewith. The contractor agrees to supply the quantities of the articles shown in the order at the rate tendered by him for each article within the time fixed.

4. The Contractor agrees that time is the essence of this contract.

5(a). If the Contractor defaults in the supply of all or any of the articles correctly and promptly as above the Local Government are at liberty to procure the same from elsewhere without cancelling the contract as a whole. If Local Government incur, in thus procuring such materials a higher cost than the agreed rate such excess cost may be deducted by the Local Government from the contractor's bill or adjusted or otherwise realized from his security deposit or recovered from him by other means. The contractor agrees that he shall not be entitled to claim the excess, if any, of the tendered rate over such cost to Local Government.

(b) If the contractor fails to deliver all or any of the stores or perform the service within the time/period(s) specified in the contract, the purchaser shall without prejudice to its other remedies under the contract, deduct from the contract price as liquidated damages, a sum equivalent to 0.5% or 1% of the delivered price of the delayed stores or unperformed services for each week of delay until actual delivery or performance, upto a maximum deduction of 10% of the contract prices of the delayed stores or services. Once the maximum is reached, the purchaser may consider termination of the contract at the risk and cost of the contractor.

6. All payments to the Contractor for supplies effected satisfactorily will be made after scrutiny of his bills either by crossed Demand Draft or by cheque.

7. All incidental expenses incurred by the Local Government for making payment outside the District in which the claim arises shall be borne by the contractor.

8. The contractor shall not assign or make over in part or wholly the contract or the benefits or burdens thereof. The contractor shall not underlet or sublet the execution of the contract or any part thereof without the consent in writing of the Local Government. The Local Government shall have absolute power to refuse such consent or rescind such consent (if given) at any time. The contractor shall not be relieved from his obligation, duty or responsibility under this contract even if consent to let or subject is given by the Government.

9. NOTWITHSTANDING the provisions contained in clause 3, the Local Government shall have the right to cancel the contract for any default on the part of the contractor in due performance thereof.

10. It shall be lawful for the Local Government from and out of any money for the time being payable or due to the Contractor from the Local Government under this contract or otherwise to set off any loss or expense, cost or damages sustained or incurred by the Local Government by reason of the cancellation of the contract.

11. The security deposit shall subject to the conditions specified herein be returned to the contractor within three months after the expiration of the contract. In all cases where there is guarantee for the goods supplied the security deposit will be released only after the expiry of the guarantee period.

12. The contractor agrees that any communication addressed to him may be handed over to him or his agent personally or left at his residence or place of business or may be sent by prepaid post to his address as mentioned in this deed.

13. In case the supply of articles involves erection of machinery the contractor agrees that the machinery will be erected within the time and at the place specified by the Local Government/Purchasing Officer in that behalf. It shall also be the duty and responsibility of the contractor to see that the machinery thus erected is in good working condition to the satisfaction of the person duly authorized by the Local Government/Purchasing Officer in that behalf and to ensure the proper functioning of the machinery till the guarantee period is over.

14. In the event of failure of the contractor to erect the machinery within the time and at the place specified by the Local Government/Purchasing Officer or in the event of the machinery failing to function properly during the guarantee period the amount spent by the Local Government and the loss sustained by the Local Government on this account by making alternate arrangements shall be recoverable from the contractor in the manner provided in Clause 14 hereunder.

15. The Contractor agrees that all sums found due to the Local Government under or by virtue of these presents shall be recoverable from him and his properties, movable and immovable, under the provisions of the Revenue Recovery Act, for the time being in force as though they are arrears of land revenue or in any other manner and within such time as the Local Government may deem fit. In deciding what sum of money is due to Local Government under or by virtue of this deed, the contractor agrees that the decision of the Local Government shall be final and conclusive and shall be binding on the contractor.

16. The Contractor agrees that any sum of money due and payable to him from Local Government shall be adjusted against any sum of money due to Government from him under any other contracts.

IN WITNESS WHEREOF the Contractor and Shri .....  
..... (H.E. name and designation of Officer) for and on behalf of the Local Government have hereunto set their hands.

Signed, sealed and delivered by.....  
(Contractor)

In the presence of witnesses

- (1)
- (2)

Signed, sealed and delivered by Shri .....  
.....(H.E name and designation of Officer) for and on behalf of the Local Government.

In the presence of witnesses

- (1)
- (2)

## FORM OF TENDER NOTICE

### Tender Notice

[See 3.3.2.1]

1.	Tender Number and Date	
2.	Place from where Tender form is available(office)	
3.	Last date and time for sale of Tender	
4.	Cost of Tender Form	
5.	Last date and time for receipt of Tender	
6.	Date and time of opening of Tender	
7.	Earnest Money Deposit (Rupees)	
8.	Firm Period	
9.	Officer to whom tender is to be submitted(Designation and Address)	
10.	To be written on the cover in which tender enclosed	Tender for:..... as per Tender Number:.....

Sealed Tenders are invited for the supply of goods given in the table below. The amount quoted shall be for delivery of goods at the site shown in the table. Tender received late, Tender, without specifying firm period, Tender with price variation clauses and incomplete Tender will not be accepted. Maximum number of days for delivery of good should invariably be stated in the Tender.

#### Conditions for acceptance of Tenders

1. Successful Tenderer shall enter into a contract at his own expense with the officer noted above within 15 days of receipt of communication confirming the Tenders.
2. Security Deposit being 5% of the contract amount shall be remitted before entering into the contract.
3. Withdrawing from Tender when required to sign the contract, refusing to sign the contract with in the appointed date, make delivery violating specifications and deliver substandard materials etc, will entitle cancellation of the Tender and purchasing the goods at the risk and cost of the Tenderer. Any loss sustained due to such purchases shall be recovered from the Tenderer.

Besides he will be blacklisted and the same will be reported to the District Collector and Stores Purchase Department for further action.

4. In cases where samples are to be submitted the list of samples shall be submitted in a separate sealed cover along with the Tender. Samples are to be submitted directly at the expense of the Tenderer. Local Government may return or not return the sample at its discretion.
5. After confirmation of the Tender any demand for increase in price will not be accepted.
6. Any unlawful interference for acceptance of Tender will be a disqualification.
7. If any permission or license from any authority is required for using the goods delivered it should be (including the authority) clearly stated in the Tender.
8. In the case of machinery the firm shall give its user specifications, safety measures and precautions to be taken while effecting supply.
9. Tender shall be submitted for all or any of the items shown in the table. But for a particular item the whole quantity shall be quoted.
10. If the supply of the goods is partially made and fails to supply the balance in time the undelivered portion shall be purchased at the risk and cost of the Tenderer and any loss there of will be recovered from the contractor. In such cases payment for partial supply shall be made only after the completion of the process.
11. The amount quoted should be inclusive of all taxes, duties, cess, packing and transportation charges and installation and commissioning charges (Wherever applicable)
12. Payment shall be made within fifteen days after examination by the Purchasing Officer and taking into stocks. In the case of machinery and equipments payment will be made after certifying that the machines are functional. The responsibility to obtain the certificate from the concerned authorities rests with the supplier.
13. In the case of goods having guarantee/warranty, security deposit will be returned after the guarantee/warranty period. In case of any complaint decision on refund will be taken after considering the complaints.
14. If any rebate is available for speedy (eg. 7 days/10 days) payment the same can be shown in the Tenders)
15. Local Government will be free to adjust any amount due from the supplier from the cost of the goods supplied.
16. The officer entering in to the contract will have the right to include any condition not contrary to the provisions in the purchase manual in the contract.
17. Local Govt. reserves the right to reject any Tender without designing any reason.
18. Further details are available from the office if requested in writing.

**SCHEDULE OF MATERIALS REQUIRED**

Sl. No.	Name of the item and Description	Detailed Specification	Standard – ISI/BIS/ BEE etc.	Guarantee Period (Years, Months)	Quantity required	Unit (Kg., liter, meter etc.)
1	2	3	4	5	6	7

Sl.No. of the items which require sample .....

Date before which complete supply is to be made .....

Place/Institution/Office where delivery is to be made .....

Any Special Conditions Stipulated by Purchasing Officer or Local Government

1.....

2. ....

3. ....

4. ....

5. ....

Name :

Signature :

Designation :

(Tender Inviting Officer)

Date :

Place : (Office Seal)

**FORM OF SHORT TENDER NOTICE**

[See 3.3.2.2(iv)]

Tender No. .... Name of Local Body: .....

Sealed tenders are invited for the supply of the following goods:  
(Here mention the goods briefly with quantity and wherever possible quality also)

.....  
.....

The envelopes containing the tender should bear the superscription  
“.....” and should be  
addressed to .....  
(H. E. Designation of Purchasing Officer).

Last date for receipt of tenders will be ..... Late tenders will not be accepted. The  
tenders will be opened at .....(time) on ..... in the presence of  
such of the tenderers or their authorized representatives who may be present at that time.

Intending tenderers may, on application to the ..... (H.E.  
Designation of the Purchasing Officer) obtain the requisite tender forms on which tenders  
should be submitted. Application for the tender form should be accompanied by a cash  
remittance of Rs. .... which is the price fixed for a form/set of forms and  
which is not refundable under any circumstances. The tender forms are not transferable. Sale  
of tender forms will be closed at ..... on ..... Cheques, postage stamps,  
etc., will not be accepted towards the cost of forms, nor will the forms be sent by V.P.P. Details  
can be had from the Officer designated below.

Place:

Date: (Office seal) (Signature, Name and Designation of Issuing Officer)

**FORM OF TENDER**

[See 3.3.2.4(i)]

From

.....  
.....

To

.....  
.....

Sir,

I/We hereby tender to supply, under the annexed general conditions of contract; the whole of the articles referred to and described in the attached specification and schedule at the rates quoted against each item. The articles will be delivered within the time and at the places specified in the schedule.

\*I/We am/are remitting/have separately remitted the required amount of Rs. .... (Rupees ..... only) as earnest money.

Yours faithfully

Signature.....

Name .....

Address .....

.....

.....

Date:

\*(To be scored in cases where no earnest money deposit is furnished)

## GENERAL CONDITIONS

Sealed tenders are invited for the supply of the materials as specified in the schedule below/attached.

1. The tenders should be addressed to the officer mentioned below in a sealed cover with the tender number and name shown below duly superscribed on the cover.

2. The tenders should be in the prescribed form which can be obtained from the officer mentioned below on payment of the price which is also noted below. The cost of tender forms once paid will not be refunded. Tenders which are not in the prescribed form are liable to be rejected. The rates quoted should be only in Indian currency. Tenders in any other currency are liable to rejection.

3. Intending tenderers should send their tenders so as to reach the Officer mentioned below, on due date and time (noted below). No tender received after the specified date and time will be accepted on any account. The rates will be considered firm for acceptance till the date mentioned below. Tenders not stipulating period of firmness and tenders with price variation clause and/or 'subject to prior sale' condition are liable to be rejected.

4. (a) Every tenderer except a Government undertaking or firms as prescribed in Para 9.5 (iii) of the manual who has not registered his name with the State Government (Stores Purchase Department) or with Government of India (Director General of Supplies and Disposals) or a rate/running contract holder as prescribed in para 9.5 (iv) of the manual should send along with his tender, an earnest money of one per cent of the total cost of the articles tendered for (rounded to the nearest rupee) subject to a minimum of Rs. 500, if the amount calculated at one per cent of the value of the articles tendered for falls below Rs. 500. The amount may be paid either by cash or by Demand Draft (crossed) on the local branch of State Bank of

Travancore/State Bank of India drawn in favour of the officer mentioned below. Cheques will not be accepted. The earnest money of the unsuccessful tenderers will be returned within 15 days after the stipulated firm period; but that of the successful tenderers will be adjusted towards the security that will have to be deposited for the satisfactory fulfillment of the contract.

(b) Tenderers whose names are registered with Government (Stores Purchase Department) are generally exempted from furnishing earnest money for such articles for which they have registered their names. If they tender for goods other than those for which they have registered their names, they will have to furnish earnest money as in the case of unregistered firms. Registered firms will have to quote invariably in every tender they submit the registration number assigned to them by the Stores Purchase Department.

(c) State or Central Government Institutions/State Public Sector Industries which manufacture and supply goods will be exempted from furnishing earnest money only for the articles they manufactured.

(d) Firms/Institutions prescribed in Para 9.5(iv) of the manual are exempted from furnishing earnest money.

(e) The exemption stipulated in clauses (b), (c) and (d) above will not however, apply to tenders for the supply of raw materials or dietary articles or stores on rate or running contract basis.

5. The tenders will be opened on the appointed day and time in the office of the undersigned, in the presence of Social Audit Team members and such of those tenderers or their nominees who may be present at that time.

6. If any tenderer withdraws from his tender before the expiry of the period fixed for keeping the rates firm for acceptance, the earnest money if, any, deposited by him will be forfeited to the Local Government or such action taken against him as the Local Government thinks fit.

7. Tenderers shall invariably specify in their tenders the delivery conditions including the time required for the supply of articles tendered for.

8. (a) The tenderer shall clearly specify in the tender whether the articles offered bear Indian Standards Institution Certification Mark or such other standards or not. In such cases, they shall produce copies of Certification mark along with their tender in support of it.

(b) Tenderers shall clearly specify whether the goods are offered from indigenous sources, from imported stocks in India or from foreign sources to be imported under a license. Local Government reserves the right to reject offers for import of goods if the Import Trade Control Policy in force at the time of award of the contract prohibits or restricts such imports.

9. The final acceptance of the tenders rests entirely with the Local Government who do not bind themselves to accept the lowest or any tender. But the tenderers on their part should be prepared to carry out such portion of the supplies included in their tenders as may be allotted to them.

10. In the case of materials of technical nature the successful tenderer should be prepared to guarantee satisfactory performance for a definite period under a definite penalty. It should be clearly mentioned in the tender.

11. Communication of acceptance of the tender normally constitutes a concluded contract. Nevertheless, the successful tenderer shall also execute an agreement for the due fulfillment of the contract within the period to be specified in the letter of acceptance. The contractor shall

have to pay all stamp duty, lawyer's charges and other expenses incidental to the execution of the agreement. Failure to execute the agreement within the period specified will entail the penalties set out in para 12 below.

12. (a) The successful tenderer shall, before signing the agreement and within the period specified in the letter of acceptance of his tender deposit a sum equivalent to 5 per cent of the value of the contract as security for the satisfactory fulfillment of the contract less the amount of money deposited by him along with his tender. The amount of security may be deposited in the manner prescribed in clause 4 supra. If the successful tenderer fails to deposit the security and execute the agreement as stated above, the earnest money deposited by him will be forfeited to Local Government and contract arranged elsewhere at the defaulter's risk and any loss incurred by Local Government on account of the purchase will be recovered from the defaulter who will, however, not be entitled to any gain accruing thereby.

(b) In cases where a successful tenderer, after having made partial supplies fails to fulfil the contracts in full, all or any of the materials not supplied may at the discretion of the Purchasing Officer, be purchased by means of another tender/ quotation or by negotiation or from the next higher tenderer who had offered to supply already and the loss, if any, caused to the Local Government shall thereby together with such sums as may be fixed by the Local Government towards damages be recovered from the defaulting tenderer.

(c) Even in cases where no alternate purchases are arranged for the materials not supplied, the proportionate portion of the security deposit based on the cost of the materials not supplied at the rate shown in the tender of the defaulter shall be forfeited and balance alone shall be refunded.

(d) If the contractor fails to deliver all or any of the goods or perform the service within the time/period(s) specified in the contract, the purchaser shall without prejudice to its other

remedies under the contract, deduct from the contract price as liquidated/damages, a sum equivalent to 0.5% or 1% of the delivered price of the delayed goods or unperformed services for each week of delay until actual delivery or performance, upto a maximum deduction of 10% of the contract prices of the delayed stores or services. Once the maximum is reached, the purchaser may consider termination of the contract at the risk and cost of the contractor.

13. The security deposit shall, subject to the conditions specified herein, be returned to the contractor within three months after the expiration of the contract, but in the event of any dispute arising between the Local Government concerned and the contractor, the Local Government shall be entitled to deduct out of the deposits or the balance thereof, until such dispute is determined the amount of such damages, costs, charges and expenses as may be claimed. The same may also be deducted from any other sum which may be due at any time from Local Government to the contractor. In all cases where there is guarantee for the goods supplied the security deposit will be released only after the expiry of the guarantee period.

14. (a) All payments to the contractors will be made by the Purchasing Officer in due course either by Demand Draft (crossed) or by cheque.

(b) All incidental expenses incurred by the Local Government for making payments outside the district in which the claim arises shall be borne by the contractor.

15. The tenderers shall quote also the percentage of rebate (discount) offered by them in case the payment is made promptly within seven days/within ten days of taking delivery of stores.

16. The contractor shall not assign or make over the contract on the benefits or burdens thereof to any other person or body corporate. The contractor shall not underlet or sublet to any person or persons or body corporate the execution of the contract or any part thereof without the consent in writing of the purchasing officer who shall have absolute power to

refuse such consent or to rescind such consent (if given) at any time if he is not satisfied with the manner in which the contract is being executed and no allowance or compensation shall be made to the contractor or the sub-contractor upon such rescission. Provided always that if such consent be given at any time, the contractor shall not be relieved from any obligation, duty or responsibility under this contract.

17. In case the contractor becomes insolvent or goes into liquidation, or makes or proposes to make any assignment for the benefit of his creditors or proposes any composition with his creditors for the settlement of his debts, carries on his business or the contract under inspection on behalf of or his creditors, or in case any receiving order or orders, for the administration of his estate are made against him or in case the contractor shall commit any act of insolvency or case in which under any clause or clauses of this contract the contractor shall have rendered himself liable to damages amounting to the whole of his security deposits, the contract shall, thereupon, after notice given by the purchasing Officer to the contractor, be determined and the Local Government may complete the contract in such time and manner and by such persons as the Local Government shall think fit. But such determination of the contract shall be without any prejudice to any right or remedy of the Local Government against the contractor or his sureties in respect of any breach of contract therefore committed by the contractor. All expenses and damages caused to Local Government by any breach of contract by the contractor shall be paid by the contractor to Local Government, and may be recovered from him under the provisions of the Revenue Recovery Act in force in the State.

18. (a) In case the contractor fails to supply and deliver any of the said articles and things within the time provided for delivery of the same, or in case the contractor commits any breach of any of the covenants, stipulations and agreements herein contained, and on his part to be observed and performed, then and in any such case, it shall be lawful for Local Government (if they shall think fit to do so) to arrange for the purchase of the said articles and things from elsewhere or on behalf of the Local Government by an order in writing under the hand of the Purchasing

Officer put an end to this contract and in case the Local Government shall have incurred, sustained or been put to any costs, damages or expenses by reason of such purchase or by reason of this contract having been so put an end to or in case any difference in price, compensation, loss, costs, damages, expenses or other money shall then or any time during the continuance of this contract be payable by the contractor to the Local Government under and by virtue of this contract, it shall be lawful for the Local Government from and out of any moneys for the time being payable or owing to the contractor from the Local Government under or by virtue of this contract or otherwise to pay and reimburse to the Local Government all such costs, damages and expenses they may have sustained, incurred or been put to by reason of the purchase made elsewhere or by reason of this contract having been so put an end to as aforesaid and also all such difference in price, compensation, loss, costs, damages, expenses and other moneys as shall for the time being be payable by the contractor aforesaid.

(b) In case any difference or dispute arises in connection with the contract, all legal proceeding relating to the matter shall be instituted in the Court within the jurisdiction of the Local Government.

19. Any sum of money due and payable to the contractor (including security deposit returnable to him) under this contract may be appropriated by the Purchasing Officer or Local Government or any other person authorized by Local Government and set off against any claim of the Purchasing Officer or Local Government for the payment of a sum of money arising out of or under any other contract made by the contractor with the Purchasing Officer or Local Government or any other person authorized by Local Government. Any sum of money due and payable to the successful tenderer or contractor from Local Government shall be adjusted against any sum of money due to Local Government from him under any other contracts.

20. Every notice hereby required or authorized to be given may be either given to the contractor personally or left at his residence or last known place of abode or business, or may be handed over to his agent personally, or may be addressed to the contractor by post at his

usual or last known place of abode or business and if so addressed and posted, shall be deemed to have been served on the contractor on the date on which, in the ordinary course of post, a letter so addressed and posted would reach his place of abode or business.

21. The tenderer shall undertake to supply materials according to the standard sample and/or specifications.

22. (a) No representation for enhancement of rates will be considered.

(b) In the case of imported goods, when the price accepted is the ex-site price quoted by the tenderer, the benefit of any reduction in the c.i.f. price should accrue to the Local Government.

23. Any attempt on the part of the tenderers or their agents to influence the Local Government in their favour by personal canvassing with the Officers concerned will disqualify the tenderers.

24. Tenderers should be prepared to accept orders subject to the penalty clause for forfeiture of security in the event of default in supplies or failure to supply within the stipulated period.

25. Samples should be forwarded if called for and unapproved samples should be taken back by the tenderers at their own cost. Samples sent by V.P. Post or 'freight to pay' will not be accepted. The approved samples may or may not be returned at the discretion of the undersigned. Sample sent by post, railway or plane should be so despatched so as to reach the Purchasing Officer not later than the date on which the tenders are due. In the case of samples sent by railway the receipt should be sent separately and not along with the tender since the tender will be opened only on the appointed day and demurrage will have to be paid if the railway parcels are not cleared in time. The Local Government will not be responsible if any sample is found missing at any time due to the non-observance of the provisions of this clause. Tenderers whose samples are received late will not be considered. Samples should be forwarded under separate cover duly listed and the corresponding number of the item in the tender schedule should also be noted in the list of samples. Tenders for the supply of materials

are liable to be rejected unless samples, if called for, of the materials tendered for are forwarded.

26. The prices quoted should be inclusive of all taxes, duties cesses, etc., which are or may become payable by the contractor under existing or future laws or rules of the country of origin/supply or delivery during the course of execution of the contract.

27. The tenderer will invariably furnish the following certificate with their bills for payment:-

“Certified that the goods on which VAT/GST has been charged have not been exempted under the Central Sales Tax Act or State Sales Tax Act or the Rules made thereunder and the charges on account of sales tax on these goods are correct under the provisions of the relevant Act or the rules made there under. Certified further that we (or our Branch or agent) (Address) ..... are registered as dealers in the State of ..... under Registration No. .... for purposes of sales tax.”

28. Special conditions, if any, of the tenderers attached with the tenders will not be applicable to the contract unless they are expressly accepted in writing by the purchaser.

29. In the event of any question or dispute arising under these conditions or any special conditions of this contract or in connection with this contract the same shall be referred to the State Government. In such cases the decision of State Government will be final.

30. The tenderer should submit along with his tender an agreement executed and signed in Kerala Stamp Paper of value Rs. 100. A specimen form of agreement is also given in this document. Tenders without the agreement in stamped paper will be rejected outright.

1	Superscription - Tender No.....for.....	
2	Due date and time for receipt of tender	
3	Price of tender form	
4	Date and time for opening of tender	
5	Date upto which the rates are to be firm	
6	Period within which goods should be delivered	
7	Where materials should be delivered	
8	Address of Officer from whom tender forms are to be obtained and to whom tenders are to be sent:	

Name of Office :

(Signature, Name & designation

Station and date:

of Purchasing Officer)



## To be filled by Tenderer

### SCHEDULE OF MATERIALS OFFERED

Sl. No.	Name of materials and its description	Specification in detail	Standard(ISI, BIS, BEE etc.)	Guarantee Period	Quantity Offered	Unit (Kg., Litre, Metre etc.)	Amount Quoted in figures (Rs.)	Amount in words (Rs)	Remarks
1	2	3	4	5	6	7	8	9	10

Date up to which rates are firm : .....

Date within which materials are to be supplied: .....

Samples submitted or not (if yes give details) : .....

Details of running and maintenance cost (in the case of machinery and equipments) : .....

Other things, if any : .....

Signature\* : .....

Name : .....

Name of Firm : .....

Address : .....

.....

.....

Place : (Including Phone No., Email ID, TIN No.,

Date : TAN No., Bank A/c No. and Name of Bank)

\* To be signed by Tenderer or Authorised Person of the Tenderer

## AGREEMENT

Articles of agreement executed on this the ..... day of ..... between  
.....  
(H.E. the name of the Officer and designation) for and on behalf of .....  
..... Grama/Block/District Panchayat/Municipality/Municipal Corporation  
(hereinafter referred to as “the Local Government”) of the one part and  
Shri.....  
..... (H.E. name and address of  
the tenderer) (hereinafter referred to as “the bounden”) of the other part.

WHEREAS in response to the Tender Notification No..... dated ..... the  
bounden has submitted to the Local Government a tender for the ..... specification  
therein subject to the terms and conditions contained in the said tender;

WHEREAS the bounden has also deposited with the Government a sum of Rs.....  
(in words) ..... only as earnest money for  
execution of an agreement undertaking the due fulfillment of the contract in case his tender is  
accepted by the Government.

NOW THESE PRESENTS WITNESS and it is hereby mutually agreed as follows:

1. In case the tender submitted by the bounden is accepted by the Local Government and the  
contract for ..... is  
awarded to the bounden, the bounden shall within .....days of acceptance of his tender  
execute an agreement with the Local Government incorporating all the terms and conditions  
under which the Local Government accepts his tender.

2. In case the bounden fails to execute the agreement as aforesaid incorporating the terms and conditions governing the contract, the Local Government shall have power and authority to recover from the bounden any loss or damage caused to the Local Government by such breach as may be determined by the Local Government by appropriating the earnest money deposited by the bounden and if the earnest money is found to be inadequate the deficit amount may be recovered from the bounden and his properties movable and immovable in the manner hereinafter contained.

3. All sums found due to the Local Government under or by virtue of this agreement shall be recoverable from the bounden and his properties movable and immovable under the provisions of the Revenue Recovery Act for the time being in force as though such sums are arrears of land revenue and in such other manner as the Local Government may deem fit.

In witness whereof Shri..... (H.E. name and designation of the officer) for and on behalf of the Local Government and Shri. .... Bounden have hereunto set their hands the day and year shown against their respective signatures.

Signed by Shri. .... (date) .....  
(Bounden)

In the presence of witnesses:

1. ....
2. ....

Signed by Shri. .... (date) .....  
(Purchasing Officer)

In the presence of witnesses:

1. ....

2. ....

**Annexure XIII**

**Tender Form Stock and Distribution Register**  
**(To be kept by the Secretary of Local Government)**

[See 3.3.2.4(v)]

Name of the Local Government : .....

Date	Voucher No., Date/Request No. Date	From where received to Secretary	Number of forms received	To whom distributed (Designation of Officer)	Number of forms distributed	Signature of Receiving Officer	Bala nce in Stock	Signatu re of Secreta ry
1	2	3	4	5	6	7	8	9

This register is only meant for distribution of tender forms by the secretary of the Local Government to the Officers who are authorised to invite tenders on behalf of the Local Government. This shall not be used for recording sale of Tender forms. When the Secretary takes forms for sale from stock it should also be recorded in this register.

### Certification of Goods Purchased

[See 4.3.3]

1. Name of Local Government : .....
2. Date & Number of Quotation/Tender : .....
3. Date & Number of Supply Order : .....
4. Officer who issued Supply Order : .....
5. Name of Article : .....
6. Description as given in Quotation/Tender : .....
7. Specification as given in Quotation/Tender : .....
8. Quantity received : .....
9. Findings of inspection

Sl.No.	Item	As per Tender/Tender	As per Inspection
1.	Type of Raw Material (if raw material is wood name of wood)		
2.	Specification		
3.	Technical Details		
4.	Working Condition		
5.	Standard (ISI, BIS, BEE etc)		

10. Certificate

All the goods received as stated above were personally inspected by me. As satisfied on inspection I certify that

1. All the goods received agree with the specifications given in the Tender/tender, are of good quality and new.
2. There are no defective or damaged goods.
3. The goods are of same measurements and made of the same raw materials as given in the tender and are in working condition.
4. On inspection of the machinery after installation it is found that they are working satisfactorily (strike off if not applicable).
5. On comparison with samples supplied it is found that the articles are same as samples. (Strike off if samples are not required).
6. Goods are of technical quality and standard (strike off if not applicable).
7. Additional information

.....  
.....  
.....

Place

Name

Date

(Office Seal)

Signature

Designation

(Officer who inspected and certified)

**MODEL BANK GUARANTEE FORMAT FOR FURNISHING SECURITY  
DEPOSIT/PERFORMANCE GUARANTEE**

[See 4.21(ii) (c)]

(To be used by Nationalised/ Scheduled Banks)

In consideration of the.....Grama/Block/District Panchayat/Municipality/Municipal Corporation (hereinafter called the “Local Government”) having agreed to exempt..... (H.E. name and address of Contractor(s)) [Hereinafter called “the said Contractor(s)”] from the demand, under the terms and conditions of an agreement dated.....made between ..... and ..... for.....(hereinafter called “the said Agreement”) of security deposit/performance guarantee for the due fulfillment by the said contractor(s) of the terms and conditions contained in the said Agreement, on production of a bank guarantee for Rs..... (Rupees in words) .....only.

We..... Bank Limited (hereinafter referred to as “the Bank”) do hereby undertake to pay to the Local Government an amount not exceeding Rs..... (Rupees in words) .....only against any loss or damage caused to or suffered or would be caused to or suffered by the Local Government by reason of any breach by the said contractor(s) of any of the terms or conditions contained in the said Agreement.

2. We ..... Bank Limited do hereby undertake to pay the amounts due and payable under this guarantee without any

demur, merely on a demand from the Local Government stating that the amount claimed is due by way of loss or damage caused to or would be caused to or suffered by the Government by reason of any breach by the said contractor(s) of any of the terms or conditions contained in the said Agreement or by reason of the contractor's failure to perform the said Agreement. Any such demand made on the Bank shall be conclusive as regards the amount due and payable by the Bank under this guarantee. However, our liability under this guarantee shall be restricted to an amount not exceeding Rs. ....(Rupees in words).....only.

3. We ..... Bank Limited further agree that the guarantee herein contained shall remain in full force and effect during the period that would be taken for the performance of the said agreement and that it shall continue to be enforceable till all the dues of the Local Government under or by virtue of the said Agreement have been fully paid and its claims satisfied or discharged of till .....(Designation of the Officer and Name of the Local government) certified that the terms and conditions of the said Agreement have been fully and properly carried out by the said contractor(s) and accordingly discharges the guarantee. Unless a demand or claim under this guarantee is made on us within one year from the expiry of the contract or extended (if the agreement/supply order specifically provide for such extension of time) for the due performance of the contract by the contractor we shall be discharged from all liability under this guarantee thereafter.

4. We..... Bank Limited further agree with the Local Government that the Local Government shall have the fullest liberty without our consent and without affecting in any manner our obligations hereunder to vary any of the terms and conditions of the said Agreement or to extend time of performance by the said contractor(s) from time to time or to postpone for any time or from time to time any of the powers exercisable by the Local Government against the said contractor(s) and to forbear or enforce any of the terms and conditions relating to the said Agreement and we shall not be

relieved from our liability by reason of any such variation or extension being granted to the said contractor(s) or for any forbearance act or omission on the part of the Local Government or any indulgence by the Local Government to the said contractor(s) or by any such matter or thing whatsoever which under the law relating to sureties would but for this provision have effect of so relieving us.

5. To give effect to this guarantee it shall be competent for the Local Government to act as though the Bank, were the principal debtor.

6. It is hereby expressly agreed and declared that this guarantee and the powers and provisions herein contained are in addition to and not by way of limitation of or substitution for any former or other guarantees or guarantee heretofore given by the Bank to the Local Government and now existing uncanceled and that this guarantee is not intended to and shall not revoke or limit such other guarantee or guarantees.

7. We.....Bank Limited lastly undertake not to revoke this guarantee during its currency except with the previous consent of Local Government in writing

Dated.....day of.....20.....for.....  
..... Bank Limited.

Signature of the authorized  
Officer of the Bank :

Station : Name and designation of the Officer :  
(Seal of the Bank) Name and Address of the Bank and  
Address of the Branch :



## Tender Register for Purchase of Services

[See 10.2.4.2]

1. Name of Local Government : .....
2. Designation and address of the officer opening the proposal : .....
3. No. and Date of proposal : .....
4. Proposal for which service : .....
5. Date and time of opening of proposal : .....
6. Name and signature of Members of the Social Audit Committee present at the time of opening the proposal
  1. ....
  2. ....
7. Name and signature of those who submitted proposals and are present at opening.
  1. ....
  2. ....
  3. ....
  4. ....
  5. ....

Details of proposals

Sl. No.	Firm which submitted proposal	Date and time of receipt of proposal	Signature of the officer who received the proposal	To be filled after opening	
				Amount demanded (item wise)	Signature of the officer who invited Tender
1	2	3	4	5	6

(Office Seal)

Name & Signature  
(Officer who opened the proposal)