



GOVERNMENT OF KERALA

Abstract

Finance Department – Rules – Kerala Financial Code Volume I & II –
Amendment – issued

FINANCE (RULES - B) DEPARTMENT

G.O.(P)No.35/2018/Fin. Dated, Thiruvananthapuram, 09.03.2018

Read :- G.O.(P) No.3/2013/SPD dated 21.6.2013

ORDER

As per the Government Order cited, Government have introduced revised Store Purchase Manual 2013 w.e.f 21.06.2013, with direction for making consequential amendments to the Kerala Financial Code consistent with the provisions of the Manual. Pursuant to the Government Order, Government hereby make the following amendments to Kerala Financial Code Volume I & II, w.e.f 21.06.2013.

**AMENDMENT
(C.S No. 01/2018)**

In Kerala Financial Code Volume I,

- (1) In Article 124 (iii), the word and figure 'Rs. 10,000' will be substituted by 'Rs.20 lakh to Heads of Departments of Group I Departments and Rs. 10 lakh for other Heads of Departments'.
- (2) In Article 126 (a) (ii), the word and figure 'Rs.1,000' will be substituted by the word and figure 'Rs. 15,000'.
- (3) In the Note below the Article 126 (a) (ii), the word and figure 'Rs.1,000' will be substituted by the word and figure 'Rs.15,000'.

- (4) In Article 126 (a) (iii), the word and figure 'Rs.500' will be substituted by the word and figure 'Rs.15,000'.
- (5) In the Note below the Article 126 (a) (iii), the word and figure 'Rs.1,000' will be substituted by the word and figure 'Rs.15,000'.
- (6) In the second para of Article 126 (a), the words and figures 'below Rs.10,000' will be substituted by the words and figures 'between Rs.15,000 to less than Rs.1,00,000'.
- (7) In Article 126 (b), the word and figure 'Rs.10,000' will be substituted by the word and figure 'Rs.1,00,000'.
- (8) In Article 126 (b) I, the word and figure 'Rs.10,000' will be substituted by the word and figure 'Rs.10,00,000'.
- (9) In Article 126 (b) I (b), the word and figure 'Rs.10,000' will be substituted by the word and figure 'Rs.10,00,000'.
- (10) In Article 126 (b) II, the words and figures 'less than Rs.10,000' will be substituted by the words and figures 'between Rs.1,00,000 to less than Rs.10,00,000'.
- (11) In Article 126 (b) III (i), the words and figures 'Rs.250' and 'Rs.500' will be substituted by the words and figures 'Rs.5000' and 'Rs.10,000' respectively.
- (12) The following will be added below Article 126 (b) III :

'(IV) For purchasing capital equipment, high value plant, machinery, etc., of complex and technical nature, tender enquiry document, complete in all respects, may be issued as usual. However, the tenderers should be asked to bifurcate their quotation in two parts. The first part is to contain the relevant technical specifications and allied commercial details as required in terms of the tender enquiry documents and the second part should contain only the price quotation. The first part is commonly known as 'Technical Bid' and the second part 'Financial Bid'. The technical bid and the financial bid should be sealed by the tenderer in separate covers duly superscribed and both these sealed covers are to be put in a bigger cover which should also be sealed and duly superscribed following similar procedure as prescribed under para 7.39 of Store Purchase Manual 2013.

The technical bids are to be opened in the first instance, at the prescribed time & date and the same will be scrutinized and evaluated by the competent committee/authority with reference to parameters prescribed in the tender documents and the offers received from the tenderers. Thereafter, in the second stage, the financial bids of only the technically acceptable offers (as decided in the first stage above) are to be opened for further scrutiny, evaluation, ranking and placement of contract.

Note: The Chief Vigilance Commissioner while noticing instances where the equipment/plant to be procured is of complex nature and the procuring organization may not possess the full knowledge of the various technical solutions, has advised that it would be prudent to invite expression of interest and proceed to finalise specifications based on technical discussions/presentations with the experienced manufacturers/suppliers in a transparent manner. The CVC suggests two stage tendering process in such cases (refer Circular No. 01/02/11, dated 11th February, 2011 in the Appendix of Store Purchase Manual)'.

(13) Article 127 will be substituted by the following:

Article 127 (i) 'Products manufactured by State Government Institutions/Departments and State Public Sector Industries and institutions will be purchased from them exclusively without tenders for the first five years after they have gone into production, the prices being fixed by negotiation. Prior to such negotiation the purchasing authority should ascertain the normal market prices by enquiry from as large a number of suppliers as possible. If the price required by the State Government Departmental Unit and State Public Sector Industry and Institution is over 25 percent above the normal market prices, the price to be reviewed and finalized by the Minister in charge of the organization/by the Minister in charge of the department which makes the purchase respectively. If even after such review the cost and the prices are over 25 percent above the normal market prices, the purchase should be finalized only after consideration by the Council of Ministers. The list of Government Institutions/State Public Sector Industries/State

Government Departmental Units which manufacture and supply stores is given in Annexure 16.

(ii) In the case of products of State Government Departmental Units and State Public Sector Industries and institutions which have been in production for more than five years, tenders should be invited as laid down in the Store Purchase Manual and purchase should be finalized giving the concerned State Government Departmental Unit and State Public Sector Industry and Institution/Government of India Departmental Unit and Public Sector Industry and institution within the State of Kerala a price preference of 10 percent as against firm manufacturing outside the State and 5 percent as against firms manufacturing within the State.

(iii) In respect of purchase to be made from the institutions listed in Annexure 16, all purchasing officers should see that only those items are purchased which are normally manufactured by them. In the case of Micro, Small & Medium Enterprises under the Kerala State Small Industries Development Corporation Limited, in order to show that a particular item is normally manufactured by a particular unit, such unit should produce a certificate to that effect from the Managing Director, Kerala State Small Industries Development Corporation Limited, Trivandrum.

(iv) As regards direct purchase without calling for tenders or purchases on price preference from Public Sector Units of the Government of India the orders issued by the Government from time to time in respect of individual units will be followed'.

(14) Article 128 will be substituted as follows:

Article 128 (i) The Administrative Department of the Secretariat may without previous consultation with Finance Department sanction expenditure for the purchase of furniture upto ₹ 5 lakh subject to budget provision being available and observing Stores Purchase procedures and as per G.O. (P) 224/2000/Fin dated 27-1-2000.

(ii) Head of Departments in the Group I are authorized to purchase stores other than computers and peripherals and furniture upto ₹ 20 lakh at a time and ₹ 10 lakh for Heads of Departments in Group II and III. The Heads of Departments are also authorised to purchase stationery upto ₹ 1 lakh. With respect to purchase of furniture, Group I Head of Departments are authorised to sanction upto ₹ 2 lakh and ₹ 1 lakh for Head of Departments in Group II and III, subject to budget provision (Head of Department may obtain administrative sanction and purchase sanction as per G.O.(P) No. 224/2000/Fin. Dated 27-1-2000).

(15) In Article 130, for the word and figure 'Rs.10,000' the word and figure 'Rs.1,00,000' will be substituted.

(16) Article 130 (a) & (b) will be substituted by the following:

'The following scales of prices (exclusively of VAT) are prescribed by Government for tender forms to be issued by Government Departments.

i. Ordinary tenders involving supply of stores:

| Estimated cost of materials for which tenders are invited | Cost of tender forms | |
|---|---|--|
| | Original copy each (₹) | Duplicate copy each (₹) |
| Above ₹ 1,00,000/- upto ₹ 10.00 lakh | 0.2% of the cost of tender rounded to the nearest multiple of 100, subject to a minimum of ₹ 400/- and maximum ₹ 1500/- + VAT as applicable | 50% of the cost of the original copy, upper rounded to the nearest multiple of 100 + VAT as applicable |
| Above ₹ 10.00 lakh | 0.15% of the cost of tender rounded to the nearest multiple of 100, subject to a maximum of ₹ 25000/- + VAT as | 50% of the cost of the original copy, upper rounded to the nearest multiple of 100 + VAT as applicable |

| | | |
|--|------------|--|
| | applicable | |
|--|------------|--|

ii. Special tenders with drawing, etc., involving erection of plant and machinery.

| Estimated cost of materials for which tenders are invited | Cost of tender forms | |
|---|--|---|
| | Original copy each (₹) | Duplicate copy each (₹) |
| Upto ₹ 10 lakh | 0.25% of the cost of tender rounded to the nearest multiple of 100 + VAT as applicable | 50% of the cost of the original copy rounded to the nearest multiple of 100 + VAT as applicable |
| Above ₹ 10 lakh | 0.20% of the cost of tender rounded to the nearest multiple of 100 + VAT as applicable | 50% of the cost of the original copy rounded to the nearest multiple of 100 + VAT as applicable |

General conditions of the contract for plant, machinery and manufactured equipment should be usually supplied with the special tender form and extra copy at ₹ 200 per copy.'

(17) Article 130 (c) will be omitted

(18) In Article 130 (e), the word and figure 'Rs.10,000' will be substituted by the word and figure 'Rs.1,00,000'

(19) In Article 130 (e)(a), the word and figure 'Rs.10,000' will be substituted by the word and figure 'Rs.1,00,000'

(20) Article 131 (a) (iii) will be substituted by the following:

'Rush purchases towards the end of the financial year should be avoided. The Financial Rules require that expenditure which might otherwise be postponed should not be incurred in the last month of the financial year solely with a view to prevent lapses of the budget grants. Such rush purchases have an undesirable effect; in that the strict observance of the rules regarding invitation of the tenders,

proper scrutiny of offers, etc., are rendered impossible at such high pressure and leads to waste, confusion and delay’.

(21) In Article 131 (c) (ii) the following will be added at the end.

‘or agmarking and to products conforming to ISI specifications’.

(22) In Article (j) (i), the word ‘one month’ will be substituted by the words ‘15 days’.

(23) The following Notes will be inserted below Article 131 (j)(iii):

NOTE 1: Under the e-procurement system the bids shall be submitted online and parallel submission of bids through paper format is not allowed. Virtual Tender Box shall be treated at par with the physical Tender Box. Time for submission of the bids online will be as given under the particular tender notice.

NOTE 2: The Chief Vigilance Commissioner has issued guidelines on publishing details of tender documents in the web site of the department/organisation with a view to providing widest possible publicity. The instructions issued are with regard to all cases where open tender system is resorted to for procurement of goods and services or for auction/sale, etc., of goods and services. This may be followed (refer CVC Order No.98/ORD/1, dated 18th December, 2003). The CVC has also issued guidelines to be followed while implementing e-tendering solutions to contain the security related loopholes (refer Circular No. 29/9/09, dated 17th September, 2009 and Circular No. 18/04/2010, dated 26th April, 2010, given in Appendix, Store Purchase Manual 2013). These may be considered by the authority responsible for e-tendering solutions.’

(24) The following Note will be inserted below Article 131 (k) (iv)

NOTE: All Purchasing Officers who: (i) fail to draw up a suitable time schedule as required under sub para (ix) for each tender and fail to scrupulously adhere to it; and (ii) fail to specify a validity period as required under sub para (xi), will be held personally responsible for the lapse, loss, if any, sustained by Government due to

such non-specification of the firmness period or non-adherence of the time schedule will be recoverable from the officers concerned.'

(25) After Article 131 (n), the following will be added:

'(o) Tolerance Clause

To take care of any change in the requirement during the period starting from issue of tender enquiry till placement of the contract, a plus/minus tolerance clause is incorporated in the tender document, reserving purchaser's right to increase or decrease the quantity of the required Stores upto that limit without any change in the terms & conditions and prices quoted by the tenderers. While awarding the contract, the quantity ordered may be increased or decreased, if necessary, within the prescribed plus/minus tolerance limit. The tolerance limit should be reasonable. Higher the tolerance limit more is the uncertainty for the tenderers in formulating their prices. Therefore, higher the tolerance limit more is the chance of loading on the prices quoted by the tenderers to take care of such uncertainties. Generally, the tolerance limit should not be more than plus/minus fifteen percent. The practice of incorporating in the tender document a tolerance clause reserving purchaser's right to increase the ordered quantity upto a specified percentage with same terms & conditions and prices during the currency of the contract creates much more uncertainty for the tenderers due to such long stretch of time. In such cases, the tenderers tend to put much higher cushion in their quoted prices, which is not a healthy sign. Therefore, *generally* such tolerance clause running through the tenure of the contract should not be incorporated in the tender document.'

(26) The first para of Article 132 will be substituted as follows:

'The bidders are required to furnish EMD along with their bids. Earnest money should ordinarily be taken for every tender involving ₹ 1,00,000/- or more and for special tenders [vide also article 132(b) of the Kerala Financial Code, Vol. I]. The amount of EMD shall be one percent (rounded to the nearest rupees) of the total cost of the articles tendered for. This is subject to a minimum of ₹ 1,500/-.'

(27) Article 132 (c) will be substituted as follows:

‘Firms who are registered with the Stores Purchase Department or the Director General of Supplies & Disposals, New Delhi are exempted from furnishing Earnest Money for tenders in respect of Stores for which they have registered as suppliers of stores. However, this exemption is not applicable to tenders for Rate/Running Contracts.’

(28) Article 133 will be substituted as follows:

**'RECEIPT AND EVALUATION OF TENDERS,
FORMULATION OF PURCHASE PROPOSAL
AND PLACEMENT OF CONTRACT**

Introduction

Evaluation of tenders is one of the most significant areas of Purchase Management. The entire process of tender evaluation and placement of contract must be transparent. All the aspects, which are to be taken into account for evaluating the tenders including the method to be adopted for evaluation of tenders and the techniques for determining the lowest evaluated eligible tender for placement of contract are to be incorporated in the tender enquiry document in clear and comprehensive manner without any ambiguity and/or confusing stipulations therein, so that the interested tenderers can formulate their competitive offers in a meaningful manner and participate in the tendering process with confidence. The Purchase Officer should prepare a comparative statement of quotations received in the order in which tenders were opened. This statement will have information about specifications of the material offered by the tenderer, rates quoted (including taxes or otherwise), discount, if any, delivery schedule, earnest money deposit, validity of the offer, payment schedule, etc. This action should be taken before preliminary examination of the tenders. The comparative statement so prepared should be signed by the concerned officers. All the tenders are to be evaluated strictly on the basis of the terms & conditions incorporated in the tender enquiry document (based

on which offers have been received) and the terms, conditions, etc., stipulated by the tenderers in their tenders. No new condition should be brought in while evaluating the tenders. Similarly, no tender enquiry condition (specially the significant/essential ones) should be over looked while evaluating the tenders. Aim should be to ensure that no tenderer gets undue advantage at the cost of other tenderers and/or at the cost of the purchaser.

Receipt and Opening of Tenders

All Departments shall maintain a register in Form No. 15 of the Kerala Financial Code, Volume II (Annexure 18) to show the details of the tenders invited; the names of tenderers, the date of receipt, date of opening, etc., of tenders and quotations. The tenders received should be serially numbered and entered in this register and then kept under lock and key by the Head of Office until taken out on the opening date. Late tenders should also be entered in the Register and the reason for their inclusion or exclusion recorded in the remarks column.

The tenders should be opened (in the presence of any of the tenderers who may be present) by the Head of Office or by other Responsible Officer but not by subordinates. The tenders should be taken out from lock and key by the Officer opening the tender at the appointed hour only. Each tender/quotation opened should be serially numbered and initialed by the Officer with date and time. The names of the representatives of tenderers present should be entered in the appropriate column of the Register referred to above.

The envelope in which tenders are received should be preserved along with the tenders for the purpose of record. The file of tenders and the envelopes with the orders of the Purchasing Officer or of Government accepting one or more tenders should be carefully preserved for five years at the least.

NOTE: Under e-procurement system, the system of receipt of tender will be as follows:

- a) The bids received online in response to a tender shall be locked unless it is unlocked by the designated tender opening authority using Digital Signature Certificate, on or after the bid opening date and time.
- b) Details of the bid opening authority, including date and time shall be visible to all bidders who submitted their bids.
- c) The system shall also facilitate tender opening responsibility to two or more individuals using their Digital Signature Certificates together (as an additional safeguard and may be prescribed for tenders above certain amount).
- d) In case the bids are not opened within 24 hours from the lapse of predefined bid date and time, the system shall lock the tender activity. The System shall capture the reasons for delays in opening the tender and then allow the bid opening authority to open the tender.
- e) In case of multi-cover tenders the system shall ensure that technical bids are not opened prior to completion of pre-qualification evaluation; financial bids are not opened prior to technical evaluation.
- f) The system shall maintain audit trails for entire tender life-cycle.
- g) The system shall protect the submitted bids from being viewed/edited (even by System Administrators) before the bid opening date and time prescribed.

The Chief Vigilance Commissioner while stressing the need to maintain transparency in receipt and opening of the tenders has advised that the receipt of tenders should be through tender boxes and in cases where the tenders are required to be submitted by hand, it is advised that the names and designation of at least two officers are mentioned in the bid documents, whose details are displayed at the entrance/reception of the premises (refer Order No. 05-04-1-CTE-8, dated: 8.6.2004, in Appendix, Store Purchase Manual, 2013).

Preliminary Examination and Consideration of Tenders

The purchase officer nominated for handling the tenders for initial scrutiny, etc., will receive the tenders along with other documents from the tender opening Officials. In this context, it should be ensured that no tender is rejected by the tender opening Officials at the tender opening stage; they are to open all the tenders as received and send them to the Purchase Officer.

(i) Tenders which are in the prescribed form where forms are prescribed and are accompanied by the requisite earnest money (if earnest money is prescribed) shall be included for consideration provided they have been received before the time prescribed for their receipt. Tenders shall be excluded in the following cases:-

- (a) Where the tenders are not in the prescribed form (where forms are prescribed).
- (b) When the tender is not accompanied by requisite earnest money (where earnest money is prescribed).
- (c) When the tender is not signed by the tenderer.
- (d) The tenderer is ineligible.

(Example: The tender enquiry condition says that the bidder has to be a registered Micro and Small Enterprises; but the tenderer is a, say, a Large Scale Unit).

- (e) When the tender is from a black-listed or a banned firm
- (f) When the tender is received late.

(1) On no account tenders received after the time fixed for the opening of the tenders shall be considered.

(2) Tenders received by post after the date and time fixed for their receipt, but before the time fixed for opening of the tenders shall also be considered, provided the officer concerned is satisfied that the delay occurred in postal transit.

(ii) No tender may be rejected for quoting for a part only, unless it is otherwise demanded in the tender notice.

- (iii) The tender validity is shorter than the required period.
- (iv) The tenderer has quoted for Stores manufactured by a different firm without the required authority letter from the proposed manufacturer.
- (v) Tenderer has not agreed to give the required performance security.
- (vi) The Stores quoted are sub-standard, not meeting the required specification, etc.
- (vii) Against a schedule in the List of Requirement (incorporated in the tender enquiry), the tenderer has not quoted for the entire requirement as specified in that schedule.

(Example: In a schedule, it has been stipulated that the tenderer will supply the equipment, install and commission it and also train the purchaser's operators for operating the equipment. The tenderer has however, quoted only for supply of the equipment).

- (ix) The tenderer has not agreed to some essential condition(s) incorporated in the tender enquiry.

(Example: Some such important essential conditions are – terms of payment, liquidated damages clause, warranty clause, dispute resolution mechanism, applicable law and any other important condition having significant bearing on the cost/utility/performance of the required Stores, etc.

- (x) The tenderers who do not meet the required qualification criteria are to be declared ineligible and not to be considered further.

(Example: The qualification criteria incorporated in the tender enquiry document stipulates, *inter alia*, that the tenderer should have successfully manufactured and supplied 150 pieces of the required Stores during the last one year from the date of tender opening. A tender during the initial scrutiny is found to be eligible; however, thereafter, while scrutinizing the data furnished by it with reference to qualification criteria, it is observed that they had manufactured and supplied only, say, 100 pieces of the required item during the last one year. This tender will, therefore, become ineligible).

NOTE: Under e-procurement system the tenders shall be submitted online through the official e-procurement system.

Where an advance sample is required to be submitted along with tender, the tendering firm shall submit the sample along with the tender or immediately after the opening of the tenders within the time specified, if any. In such cases, tenders not accompanied by sample (s) are liable to be rejected. All samples thus required shall be supplied by the firm free of cost unless the special conditions of the tender provide otherwise. Where the sample which is supplied free is rejected after examination and/or test, will be returned to the tenderers at their cost on request made within a reasonable time of the date of rejection.

NOTE 1: The Officer who receives the samples should acknowledge receipt of the samples. The officer who is authorized to inspect the sample should be furnished with a list of all samples received and he should also acknowledge receipt of the list. The Inspecting Officer should be made aware of the price of each item quoted in the tender before the inspection of the samples. The inspecting officer shall inspect each item and assess their suitability with respect to quality of materials used, size, conformity to specifications in the tender, etc. He should offer his specific remarks in respect of each item mentioned in the list of samples acknowledged by him considering the prices also.

In respect of rate contracts settled by the Stores Purchase Department of Officer who is authorized to inspect the samples should inspect each item and record in the inspection report that all items of samples received have been inspected by him. The Stores Purchase Department will verify the list of samples and the inspection report and record that all items of samples have been inspected.

NOTE 2: Indian Standard Institution certified goods will be exempted from examination and/or test. “However the Purchasing Officers/Departments may if considered necessary, arrange for examination and/or test of ISI certified goods when such goods are offered to be supplied by sellers who are not established manufacturers or Suppliers of reputation”.

Tenders not stipulating the period of firmness or tenders with price variation clause and/or 'subject to prior sale' condition may also be rejected since in these case contracts for purchase of Stores may sometimes have to be dissolved. Such dissolution will be to the disadvantage of Government from the points of view of both economical and timely purchase.

During the preliminary examination, the purchaser may also find some minor informality and/or irregularity and/or non-conformity in some tenders. The purchaser may waive the same, provided the same does not constitute any material deviation and financial impact and, also, does not prejudice or affect the ranking order of the tenderers. Wherever necessary, the purchaser is to convey his observation on such 'minor' issues (as mentioned above) to the tenderer by registered letter/speed post, etc. asking the tenderer to respond by a specified date also mentioning therein that, if the tenderer does not confirm the purchaser's view or does not respond at all by that specified date, its tender will be liable to be rejected. Depending on the outcome, such tenders are to be rejected or considered further.

(Example: A tender enquiry stipulates, as an essential condition, that the tenderer, along with its quotation, must also submit a certified copy of its latest income tax clearance certificate (ITCC). If a tenderer does not provide this document, the purchaser may ask for it with target date as above. If, the tenderer does not respond by that target date, its offer will be liable to be rejected).

Non-conformities between the figures and words of the Quoted Prices: Sometimes, non-conformities/errors are also observed between the quoted prices in figures and that in words. The same is to be taken care of as indicated below:

- (i) If, in the price structure quoted for the required Stores, there is discrepancy between the unit price and the total price (which is obtained by multiplying the unit price by the quantity), the unit price shall prevail and the total price corrected accordingly, unless in the opinion of the purchaser there

is an obvious misplacement of the decimal point in the unit price, in which case the total price as quoted shall govern and the unit price corrected accordingly.

(ii) If there is an error in a total corresponding to the addition or subtraction of subtotals, the subtotals shall prevail and the total shall be corrected; and

(iii) If there is a discrepancy between words and figures, the amount in words shall prevail, unless the amount expressed in words is related to an arithmetic error, in which case the amount in figures shall prevail subject to (i) and (ii) above.

If there is such discrepancy in an offer, the same is to be conveyed to the tenderer with target date on the above lines and if the tenderer does not agree to the observation of the purchaser, the tender is liable to be rejected.

Discrepancies between original and additional copies of a Tender: Sometimes discrepancies are also observed between the original copy and the other copies of the same tender set. In such a case, the text, etc., of the original copy will prevail. Here also, this issue is to be taken up with the tenderer in the same manner as above and subsequent actions taken accordingly.

Details of all tenders, which are rejected, shall be recorded in the purchase file along with the grounds for rejection.

NOTE: However, in case of Two Bid System (as described under para 7.49, Store Purchase Manual, 2013), the technical acceptability of the offers are first determined and, thereafter, the financial bids of only the technically acceptable offers are opened for further scrutiny and processing for placement of contract.

Acceptance of Tenders

After the tenders/quotations are opened, quick action has to be taken to tabulate the rates, make the selections and finalise the acceptance. Since the markets for almost all kinds of Stores are unsteady, quick action is of vital importance. In any case, the acceptance should be finalised within the period for firmness agreed to by the tenderers.

Tabulation statement of rates quoted should be correct, complete and informative and should be authenticated by the competent purchasing or recommending officer. Errors and omissions should be carefully avoided. The statements should be neat and easy to handle. When the number of items is large, it is preferable to tabulate the rates for each item in a separate sheet.

The following rules should be adhered to in the acceptance of tenders:

- (i) In selecting the tenders to be accepted, the financial status of the tenderers should be taken into consideration in addition to all other relevant factors. When a tender which appears to be satisfactory is received from an unknown firm, steps should be taken before any order is placed, to ascertain whether the firm is capable of executing the contract in a proper manner. If the result of the enquiry proves satisfactory, the order or a portion of it may be placed with the firm. If any firm is to be ignored on grounds of unsatisfactory performance, the decision should be taken by the Government.
- (ii) The various tenders should be compared in respect of price, quality, terms of delivery, terms of payment, etc. Other conditions being equal, the lowest tender should be accepted and in cases where the lowest tender is not accepted the reasons thereof should be recorded.
- (iii) When there are two or more offers for an article at the same rate and governed by similar conditions, the contract may be divided equally among the tenderers provided they are all well known. Otherwise, the

previous contractor whose performance was satisfactory should be preferred.

- (iv) In selecting offers the cheapness, etc., of each individual item should be taken into account.
- (v) In the case of purchase of costly, sophisticated machinery/instruments, arrangements should be made for pre-supply inspection of the machinery/ instruments by the Purchasing Officers or by the technical experts authorized for the purpose by the Purchasing Officers.

NOTE: Under the e-procurement system the process regarding acceptance of tender will be as follows:

- a) Once the tenders are opened, the bid documents related to the current tender evaluation stage will be accessible only to the authorized users.
- b) If an external person is part of the evaluation committee, system shall facilitate creation of user profiles for them as guests and such guest users shall have limited access to the system for specific activities.
- c) All members of the evaluation committee shall be able to see the tender documents based on the current stage of bid evaluation.
- d) System shall sign off tender results using digital signatures by the Chairman of the Evaluation Committee and send automatic alerts to all the Members of the Evaluation Committee and the bidders after the final sign off.
- e) In case of L1 based selection, the technical evaluation shall be based on the aggregated scores given by the evaluators for the pre-defined criteria. Such ranking shall be done only for bidders who qualify above the cut-off.
- f) If two or more Tenders have the same score, the Evaluation Committee may decide.
- g) System shall allow online negotiations with the vendors through sending online requests for negotiation. Based on the negotiation

request, bidders shall be able to resubmit their commercial quotation in the system. System shall ensure that all the activities related to the negotiation including negotiation request, negotiated bid submitted by the bidder, approval, etc., are captured and necessary audit trails are maintained in the system.

- h) The system facilitates auto-ranking of the bidders based on the vendor selection criteria defined for the bid (i.e. L1, QCBS, etc.)

Price Preference

In accepting tenders as above, indigenous producers and manufacturers should be given preference. Government purchase policy generally permits a price preference up to 15 percent or even up to 25 percent or even higher in special cases, for indigenous products over imported stores. In giving price preference as mentioned above, the prices for comparison should be taken at the landed cost exclusive of VAT.

NOTE: As far as possible purchase will be made locally unless the prices are substantially higher and the quality unsatisfactory. The choice will however be subject to the price preference limits prescribed.

The following price preference may be allowed for products of private industries within the State of Kerala over the products made outside the State, as a measure of encouragement to local cottage industries.

- (i) 15 per cent for industries in which Government have taken shares.
- (ii) 10 per cent for other industries.
- (iii) 15 per cent for industries of Charitable Institutions registered under the Travancore-Cochin Literary, Scientific and Charitable Societies Registration Act XII of 1955, within the District of their location.

The following price preference shall be allowed for products of Micro, Small & Medium Enterprises, within the State of Kerala as a measure of encouragement to local Micro, Small & Medium Enterprises.:-

- (i) 5 per cent over the products of medium and large scale industries in the private sector within the state.
- (ii) 2 per cent additional price preference shall be given to the products of Micro and Small Enterprises having ISI certification marks over the products of Micro and Small Enterprises without ISI certification marks.

NOTE 1: The items of stores mentioned in Annexure 19 of the Stores Purchase Manual are reserved for procurement exclusively from the small scale sector in the State of Kerala and in case not available within the State, from the small scale sector outside Kerala.

NOTE 2: a) All State Government Departments, Public sector Undertakings, Corporations, Quasi Government Institutions, Co-operatives, Statutory Bodies and other undertakings over which Government have control by way of share capital, investment or financial assistance, loans with Government guarantee, etc., shall purchase their stores and ancillaries from the products of Micro, Small & Medium Enterprises within the State, provided that in the case of any product the capacity for the production of the articles is existent in the State and actual manufacture is made within the State.

b) Wherever the price quoted by local Micro, Small & Medium Enterprises is considered exorbitant (after allowing for the prescribed price preference allowed to them) when compared to products of Industries outside the State or the quality of the article is considered decidedly unsatisfactory, purchase from outside the State can be resorted to. When such outside the State purchase are considered necessary, the Purchasing Department should refer the matter for decision to a committee consisting of the Finance Secretary (Chairman), Secretary to Government of the concerned Administrative Department and the Director, Industries Department.

c) While it is necessary to ensure that the goods purchased are of requisite quality, too high specifications should not be resorted to.

d) The local Micro, Small & Medium Enterprises will not be eligible for any price preference over products of Government units and State Government's Public Sector Undertakings.

Purchase from Government Sources

Products manufactured by State Government Institutions/Departments and State Public Sector Industries and institutions will be purchased from them exclusively without tenders for the first five years after they have gone into production, the prices being fixed by negotiation. Prior to such negotiation the purchasing authority should ascertain the normal market prices by enquiry from as large a number of suppliers as possible. If the price required by the State Government Departmental Unit and State Public Sector Industry and Institution is over 25 per cent above the normal market prices, the price to be reviewed and finalized by the Minister in charge of the organization/by the Minister in charge of the department which makes the purchase respectively. If even after such review the cost and the prices are over 25 per cent above the normal market prices, the purchase should be finalized only after consideration by the Council of Ministers. The list of Government Institutions/State Public Sector Industries/State Government Departmental Units which manufacture and supply stores is given in Annexure 16, Store Purchase Manual, 2013.

In the case of products of State Government Departmental Units and State Public Sector Industries and institutions which have been in production for more than five years, tenders should be invited as laid down in this Manual and purchase should be finalized giving the concerned State Government Departmental Unit and State Public Sector Industry and Institution/Government of India Departmental Unit and Public Sector Industry and institution within the State of Kerala a price preference of 10 per cent as against firm manufacturing outside the State and 5 per cent as against firms manufacturing within the State.

In respect of purchase to be made from the institutions listed in Annexure 16, Store Purchase Manual, 2013, all purchasing officers should see that only those items are purchased which are normally manufactured by them. In the case of Micro, Small &

Medium Enterprises under the Kerala State Small Industries Development Corporation Limited, in order to show that a particular item is normally manufactured by a particular unit, such unit should produce a certificate to that effect from the Managing Director, Kerala State Small Industries Development Corporation Limited, Trivandrum.

As regards direct purchase without calling for tenders or purchases on price preference from Public Sector Units of the Government of India the orders issued by the Government from time to time in respect of individual units will be followed.

Subject to the general price preference formula enunciated in respect of indigenous products in para 9.19 of the Store Purchase Manual, 2013, a price preference up to 10 percent may be allowed to products of Micro, Small & Medium Enterprises within the State, over those of similar industries outside the State, in the matter of purchase of stores for Governmental use, subject to the provisions in para 9.21 of the Store Purchase Manual, 2013. While comparing prices for the purpose of giving price preference under Store Purchase Manual, 2013 the basic price, namely, the price exclusive of VAT alone shall be considered. This concession will not however apply in the following cases:

- (a) Where purchases are made on the basis of separate agreements entered into by industrial concerns with the State Government.
- (b) Where pool prices for products have been fixed by the Government of India.
- (c) Where a concern is making a reasonable profit. A concern may be deemed to be working with reasonable profit, if it is able to declare dividend of at least 5 per cent to its share-holders.

Where separate agreements exist with government or pool prices have been fixed by the Government of India for products, the purchases of such products will be made according to the terms of the agreement or the pool prices fixed by the Government of India as the case may be.

Purchasing Departments will observe the above principles while accepting tenders and report to the Stores Purchase Department the additional amount involved in such purchases made by giving details of price preferences on a periodical basis (quarterly) to the Stores Purchase Department.

When the conditions regarding quality, price, terms of delivery, terms of payment, etc., are equal, preference in making purchases should be given in the following order:

1. To articles which are produced in Kerala
2. To articles which are produced in India in the form of raw materials or are manufactured in India from materials produced in India
3. To articles wholly or partially manufactured in India from imported materials
4. To articles of foreign manufacture held in stock in India
5. To articles manufactured abroad, which need to be specially imported

With a view to applying the principles of preference given above, a purchasing officer who invites tenders for supplying stores should instruct the tenderers to furnish information as to the country of origin in the case of a raw material and as to both the country of manufacture and the country of origin of the materials used for a manufactured article. Other things being equal, preference may be given to products of private units in Industrial Estates over those outside the Estates except wherein Industries in which Government have taken shares and Industrial co-operatives are involved.

Purchase exceeding ₹ 2.50 crores made by Government Departments, Government Companies and Statutory Corporations from outside Kerala, when the same product is being manufactured by one or more units in the State, will be made only after approval by a Committee consisting of the Chief Secretary as Chairman and the

Finance Secretary, the Secretary (Industries) and the Secretary of the Department concerned as convener. The expenditure limit indicated will apply to total purchases during the financial year concerned and not to any particular purchase or purchases.

The tender accepting authority can reject all the tenders at any time before passing an order on ground of changes in the requirement, failure of anticipated resources, calamities or any other ground with which the procurement is impossible. The authorities shall communicate the fact of rejection to the Tenderers.

Price variation conditions need be accepted only in very special cases and in unavoidable circumstances. In the case of articles which are usually subject to price variation, necessary conditions should be stipulated in the tender notice itself.

Price Variation Clause

The following is the text of the standard price variation clause applicable to contracts for supply of stores by import from overseas sources, where the offers as finally accepted, are subject to price revision. This clause should be incorporated in the formal contract only in such cases where placing of contracts with the price variation clause appears to be inescapable. Where the Purchasing Department is of opinion that variation in f.o.b. prices is inescapable from past experience, etc., in such invitations to tender, this clause should be included. If, on the other hand, this clause has not been included in the invitation to tender, but it is found necessary to allow the same, the firm's confirmation should be obtained before the order is placed. It must be ensured that the percentage for the ceiling is stipulated by the firm before the clause is accepted. The ceiling as far as possible should not exceed 10 percent of the net f.o.b. prices.

- (i) Tenderers who claim variation in net f.o.b. prices (that is to say a price exclusive of the contractor's profit, rebate, remuneration or commission called by any name whatsoever) should give detailed information in respect

of each of the constituent items, e.g., labour, material, etc., for which variations may arise in the items mentioned below:-

(A) Net f.o.b. price of store/equipment on which the tendered price is based (as on 20.....)

(B) Rates of labour and raw materials on which the quotation is based.

| Element of cost | Basic Rate | Percent of Total f.o.b. Cost |
|----------------------------------|------------|------------------------------|
| I Labour | | |
| II (a) Raw materials (Variable) | | |
| (i) | | |
| (ii) | | |
| (iii) | | |
| (b) Raw materials (Non-Variable) | | |
| (i) | | |
| (ii) | | |
| (iii) | | |

(ii) If at any time after the submission of the tender, an increase or decrease takes place in the net f.o.b. price, an adjustment will be made in the contract price but only in respect of such portion of the net f.o.b. prices as represents the change therein on account of the two factors cost of labour and/or materials properly required for the manufacture of the contract stores, on account of any reason or cause beyond the control of the manufactures. The contractor may, after due completion of the contract and subject to and in accordance with the provisions of this clause, make proposals in writing to the Government for the adjustment in the contract price setting out the increases/decreases in the cost of labour and/or materials, the adjustment in respect of net increases being, however, limited to per cent of the net original f.o.b. prices. This percentage should be furnished by the tenderer at the time of his tender.

- (iii) A claim by the contractor for the finalization of price shall be accompanied by the invoice and the document containing the original quotation of the foreign Principal/Manufacturer and supported by a certificate of the chartered or incorporated accountant of the Principal/Manufacturer, or if there is no qualified accountant of such foreign Principal/Manufacturer, the certificate of such other accountant as may be approved for the purpose by the Director General, India Store Department, London or India Supply Mission, Washington, etc., showing the increases/decreases in the cost of labour and/or material between the date of tender and the date of shipment together with the basic rates of materials and labour and their estimated and final cost and certify that they do not include any sum on account of profit or overheads.
- (iv) Upon receipt of the Contractor's claim, it shall be lawful for the Government to make such inquiry as they may deem fit through the Director General, I.S.D., London/I.S.M., Washington or any trade association or other authority nominated by the Director General, I.S.D., London/I.S.M., Washington for verification and certification of the claim and it shall further be lawful for the Government to require the manufacture's/foreign Principal's account's relating to the increase claimed to be examined by the Director General, I.S.D. London/I.S.M., Washington or other authority nominated by the Director General, I.S.D., London/I.S.M., Washington.
- (v) The decision of the Government as to the increase or decrease in price under this clause shall be final and binding on the parties.
- (vi) Any change in the customs duty payable by reason of and corresponding to the account of the change in the f.o.b. price shall be to the buyer's account.
- (vii) No charges other than customs duty shall be affected by the change in the f.o.b. price.
- (viii) This clause shall remain in operation only up to the date of shipment corresponding to the delivery period specified in the schedule to the acceptance of tender and notwithstanding any extension of time nothing contained herein shall entitle the contractor to an increase in the contract

price where the increase in net f.o.b. price occurs after expiry of the said date of shipment unless the contractor proves to the satisfaction of the Government that the delay in shipment was due entirely to causes beyond the control of the foreign Principal/Manufacturer, and the decision of the Government in this behalf shall be final and binding.

- (ix) Tenders should declare that in addition to the profit, commission, rebate, etc., specified, they do not get any other discount or any credit to their account or to any other account in their behalf adjusted either immediately or at the end of the year on the gross turnover for the year.

In contracts for imported stores incorporating the above price variation clause, the Officer should ensure that an automatic check is carried out immediately after placement of the contract, of the net f.o.b. price prevailing at the time of placement of the contract through the Director General, I.S.D., London or Director, I.S.M., Washington as the case may be, where the value of the contract is over ₹ 1 lakh. A list of stores on the cost of which variations are to be allowed is given in Annexure 20, Store Purchase Manual, 2013.

The acceptance or rejection of a tender is a matter entirely within the discretion of the officer responsible for the purchase of the material, but a superior authority or the Accountant General may require him to justify the manner in which he has used his discretion and give his reasons for rejecting any tender. However, the reasons for rejection need not be communicated to any tenderer, unless requested for.

No Government servant shall deal with a tender in which he or any of his relations has any pecuniary or other interest. If any such case comes before him in the course of his official duties, he should refrain from dealing with the case and should submit the case to the next higher authority for passing orders, indicating at the same time that he is not dealing with the case because of the interest. The relationship for the purpose of rule will be as specified in section 6 of the Indian Companies Act, 1956 (extract given as Annexure 21, Store Purchase Manual, 2013). If any violation of this rule is detected it will be dealt with severely.

When owing to inadequate publicity or some other reason, no satisfactory tender is received in response to an invitation to tender, fresh tenders should be invited and the invitation to tender should be specially brought to the notice of all possible tenderers. If considered desirable, the services of the Director General Supplies and Disposals, New Delhi, may be requested.

When the total cost of the articles to be purchased at a time is beyond the financial powers of the Purchasing Officer, he should forward the tenders received and other relevant record together with his recommendations to the higher authorities or the Departmental Purchase Committee or Government (Stores Purchase Department) as the case may be, for orders. The Head of the Department or the Purchasing Officer while submitting to the Stores Purchase Department or any other authority authorized by Government his recommendation about the offers to be accepted should furnish a certificate in the following form:-

“I Certify that the purchase of the goods proposed in this report has been administratively sanctioned by Competent Authority (here mention the sanctioning authority with the Order No. and date) and that funds are available to meet the expenditure during the current financial year.”

Conversion of Currencies

If offers have been received containing different currencies (as in the case of purchasing imported Stores), all the quoted prices (with different currencies) are to be converted into a single currency for evaluation and comparison of offers on equitable basis. For this purpose, all such quoted prices are to be converted into Indian rupees, as per the selling exchange rates established by a competent authority (like RBI/SBI) as prevailing on a particular date to be specified in the tender enquiry. Generally, this date is the date of tender opening.

Evaluation and Ranking

Depending on the terms of delivery and the projected requirement, all the applicable components of the costs, as quoted in the eligible tenders, are to be added to work out the ultimate evaluated costs of the tenders. The evaluation is also to include applicable taxes, duties, etc., in the tender prices. Further, if the tender enquiry document provides for any price preference and/or purchase preference for Micro, Small & Medium Enterprises/PSU, etc., the same is also to be kept in view while evaluating such tenders.

Sometimes, while purchasing sophisticated and costly equipment, machinery, etc., the purchase department also gives special importance to factors like high quality performance, environmental friendly features, low running cost, low maintenance cost, etc. To take care of the same, relevant details are to be incorporated in the tender enquiry document and the criteria adopted to assess the benefit of such features while evaluating the offers are also to be clearly stipulated in the tender enquiry document so that the tenderers are aware of the same and quote accordingly. While evaluating such offers, these aspects are also to be taken into account. Such details, whenever considered necessary, should be evolved by competent technical authority for incorporation in the tender document, so that there is no ambiguity and/or vagueness in the same.

After completing the entire evaluation process for the eligible tenders on equitable basis as above, they are to be entered into a ranking statement in ascending order of the evaluated prices (like L1, L2, L3...etc) along with other relevant details, so that a clear picture of their standing as well as comparative financial impact is available at a glance.

If the schedule of requirements contains more than one schedule, then offers for each schedule are to be evaluated and ranked separately in a self contained manner on above lines. In case a tenderer offers special discount if more than one schedule

is ordered on it (and if the same is permissible as per terms of the tender enquiry document), the same should also be taken note of in the ranking statement.

If the item/store to be procured is of a sophisticated technical nature or needs technical evaluation, a technical committee with sufficient members for evaluating the articles/stores should be constituted and report of the committee should be made available for consideration by the Departmental Purchase Committee. In order that sufficient number of competent technical experts are included in the technical committee (refer circular No. 150/B1/10/SPD, dated 20.01.2010), an updated list of technical experts available in Government departments, PSUs, LSG institutions, Autonomous bodies, etc. will be published in the website of Stores Purchase Department.

Reasonableness of Price

Before placing the contract on the lowest evaluated eligible tender (L1), the purchase department is to ensure that the price to be paid is reasonable.

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

- (i) Last purchase price of same (or, in its absence, similar) Stores
- (ii) Current market price of same (or, in its absence, similar) Stores
- (iii) Price of raw materials, which go into the production of the Stores
- (iv) Receipt of competitive offers from different sources
- (v) Quantity involved
- (vi) Terms of delivery
- (vii) Period of delivery
- (viii) Cost analysis (material cost, production cost, over-heads, profit margin)

NOTE: Price paid in an emergency purchase or purchase price of Stores offered by a firm through 'distress sale' (i.e. when the firm clears its excess stock at throw away

prices to avoid further inventory carrying cost etc.) are not accurate guidelines for future use.

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

Lack of Competition – Sometimes the purchase department may not receive sufficient number of tenders. A situation may also arise where, after analyzing the tenders, the purchase department ends up with one eligible tenderer. In such situations, the purchase department is first to check whether, while floating/issuing the tender enquiry, all necessary requirements like standard tender enquiry conditions, industry friendly specification, wide publicity, sufficient time for formulation of tenders, etc. were fulfilled. If not, the tender is to be re-issued/re-floated after rectifying the deficiencies. However, if after scrutiny it is found that all such aspects were fully taken care of and in spite of that the purchaser ends up with one eligible tender only, then contract may be placed on that tenderer provided the quoted price is reasonable.

Dividing the Quantity

As per standard procedure, each schedule of requirement incorporated in the tender enquiry document is to be covered on the lowest eligible tenderer for that schedule without dividing the same. The tenderer who does not quote for the complete schedule as required is normally to be treated as ineligible and ignored. However, there may be special occasions of purchase of very large quantities of Stores which are beyond the capacity of a single tenderer and the lowest eligible tenderer is

unable to take the load of the entire quantity. In such cases, the remaining quantity may be ordered on the second lowest eligible tenderer (L2) at the rates offered by the lowest eligible tenders (L1), as far as feasible and for this purpose negotiation may be held with the above tenderer (viz. L2). In such cases, it may also become necessary to divide the requirement under a schedule by placing multiple contracts for part quantities on more than 2 eligible tenderers. Such eventuality should normally be foreseen and provided for in the notice inviting tenders. The formula proposed to be adopted for allocation of orders to multiple (eligible) tenderers should be clearly brought out in the notice inviting tenders. The splitting of order by purchasing organization should be an exception rather than a rule.

Award of Contract & Communication of Acceptance

When tender has been once accepted finally such acceptance shall be communicated to the successful tenderer in the most expeditious manner and in any case before the period of firmness expires, if such period of firmness exists, by suitable foolproof method, that its tender (briefly indicating therein relevant details like quantity, specification of the Stores ordered, prices etc.) has been accepted. In the same communication, the successful tenderer is to be instructed to furnish the required Performance Security within a specified period (generally 21 days). Promptly after the above notification, the purchase department is also to issue the contract to the successful tenderer asking therein, *inter alia*, to send its unconditional acceptance of the contract within fifteen days. It should also be made known to the successful tenderer that in case, it does not furnish the required performance security or does not accept the contract within the stipulated target dates, such non-compliance will constitute sufficient ground for forfeiture of its EMD and processing the case for further action against it (the successful tenderer). A formal supply order should also be placed with the successful tenderer simultaneously (Annexure 22, Store Purchase Manual, 2013). The supply order should furnish the description, quantity and price of the articles to be supplied. It should also prescribe the terms of delivery and the

terms of payment. Clear despatch instructions should also be given to the supplying firm.

In cases where railway freight to be borne by Government the stores should be got down by goods train. In exceptional cases, transport by passenger train, lorry transport or by post may be resorted to, but the purchasing officer should record the reasons for adopting such a course.

Copies of the supply orders should be forwarded to the Accountant General, to the Officer who actually receives the stores and to the Sales Tax and Income Tax authorities.

When the supply of Stores is subject to the condition that the Department should produce Import license, formal supply order should be placed only after receipt of the license.

NOTE: Under the e-procurement system the process regarding communication of acceptance of tender will be as follows:

- a) The e-procurement system shall facilitate sending the results to all bidders who have qualified for technical/commercial bid evaluation.
- b) The e-procurement system shall facilitate sending online notification to the successful bidder on the outcome of the bid evaluation and the selection of the vendor.
- c) The e-procurement system shall facilitate issue of the Letter of Acceptance (LoA) online to the successful to the bidder on the ward of the contract.
- d) The e-procurement system shall facilitate provide delivery schedule (Supply Order) along with the letter of award and shall also facilitate obtaining sign-off on the LoA and the delivery schedule.
- e) The system shall facilitate the successful supplier/contractor to respond to the LoA using his DSC authentication.

Tolerance Clause

To take care of any change in the requirement during the period starting from issue of tender enquiry till placement of the contract, a plus/minus tolerance clause is incorporated in the tender document, reserving purchaser's right to increase or decrease the quantity of the required Stores upto that limit without any change in the terms & conditions and prices quoted by the tenderers. While awarding the contract, the quantity ordered may be increased or decreased, if necessary, within the prescribed plus/minus tolerance limit. The tolerance limit should be reasonable. Higher the tolerance limit more is the uncertainty for the tenderers in formulating their prices. Therefore, higher the tolerance limit more is the chance of loading on the prices quoted by the tenderers to take care of such uncertainties. Generally, the tolerance limit should not be more than plus/minus fifteen percent. The practice of incorporating in the tender document a tolerance clause reserving purchaser's right to increase the ordered quantity upto a specified percentage with same terms & conditions and prices during the currency of the contract creates much more uncertainty for the tenderers due to such long stretch of time. In such cases, the tenderers tend to put much higher cushion in their quoted prices, which is not a healthy sign. Therefore, *generally* such tolerance clause running through the tenure of the contract should not be incorporated in the tender document.

Publication of Tender Result

The name of the successful tenderer awarded the contract should be mentioned in the notice board/bulletin/web site of the concerned Department. The Central Vigilance Commission has given directions on posting of details of all the contracts/purchases made above a threshold value (to be fixed by the departments/organisations) in their websites. Further CVC has also instructed that the departments/organisations may post the summary of details of contracts/purchases awarded so as to cover 75% of the value of the transactions

(refer Order No.005/VGL/4 (CIRCULAR No. 17/7/09), dated the 14th July, 2009, in Appendix, Store Purchase Manual, 2013). In the State, the Departments/Organisations may publish in their website details of all purchases of value above ₹ 25 lakh.

Tenderer's Right to Question Purchaser

A tenderer shall have the right to be heard in case it feels that proper procurement process is not being followed and/or its tender has been rejected wrongly. The tenderer is to be permitted to send its representation in writing, which is to be examined by appropriate administrative authority of the purchasing department. But, such representation has to be sent within one month from date of placement of contract and to be replied (by the Department) within one month from date of receipt of the representation.

Extension of Tender Validity Period

The entire process of scrutiny & evaluation of tenders, preparation of ranking statement and notification of award must be done within the original tender validity period. The validity period should not be unreasonably long as keeping the tender unconditionally valid for acceptance for longer period entails the risk of getting higher prices from the tenderers. Generally, the validity period should not be more than three months from the date of tender opening.

If however, due to some exceptional and unforeseen reasons, the purchase department is unable to decide placement of the contract within the original validity period, it should request, before expiry of the original validity period, all the eligible tenderers to extend their tenders upto a specified period. While asking for such extension, the tenderers are also to be asked to extend their offers as it is, without any changes therein. They may also be told to extend the validity of the EMD for the corresponding additional period (which is to be specified in the request). A tenderer may not agree to such a request and this will not tantamount to forfeiture of its

EMD. But the tenderers, who agree to extend the validity, are to do so without changing any terms, conditions, etc., of their original tenders.

Agreement

An agreement should be entered into with the successful tenderer for the satisfactory fulfillment of the contract embodying the conditions of the order and providing for the necessary penal clauses for any breach of the conditions of the contract. The agreements are liable to stamp duty but registration is optional. A standard form of Agreement is given in Annexure 23, Store Purchase Manual, 2013.

In the case of purchase costing above ₹ 1,00,000/-, the purchasing officer shall forward a draft agreement to the firms along with the supply order directing them that the consignments need be sent only after execution of the agreements. If any firm despatch the goods before the execution of the agreement, they should be held liable for the demurrage charges, if any.

The following rules are laid down for the destruction of agreement relating to Stores Purchase Contracts:

- (i) Agreement relating to plant and machinery will be destroyed after a period of 30 years after the date of the agreements if the rights, duties under the agreements have been settled; and
- (ii) Other agreements will be destroyed after a period of ten years after the rights and duties under the agreements have been settled.

Annual Maintenance Contract

Some goods, especially sophisticated equipment and machinery (like Machineries, Electric/Electronics equipment, Computer Hardware, Software, all kinds of vehicles, etc.), need proper maintenance for trouble free service. For this purpose, the purchase department may enter into maintenance contract. It must however be kept in mind that maintenance contract is to start after the expiry of the warranty period, during which period the goods are to be maintained free of cost by the supplier.

Maintenance contract may be entered into either with the manufacturer/supplier of the goods or with a competent and eligible firm, not necessarily the manufacturer/supplier of the goods in question. The purchase department should decide this aspect on a case to case basis on merit. If the contractor is not a manufacturer/supplier, the Purchasing Officer should verify whether the contractor is an authorized one/ reputed for the service and the maintenance contract is inclusive of the cost of consumables and spares or not.

If the maintenance contract is to be entered into with the supplier of the goods, then suitable clauses for this purpose are to be incorporated in the tender enquiry document itself and while evaluating the offers, the cost component towards maintenance of the goods are also to be added in the evaluated tender value on overall basis to decide the inter se ranking of the eligible tenderers. An equipment with a lower quoted price may carry a higher maintenance liability. Therefore, total cost on purchase and maintenance of the equipment over its projected lifecycle should be assessed to consider its suitability for purchase. However, if the maintenance contract is to be entered into with a competent and eligible supplier separately, then a separate tender enquiry is to be floated for this purpose and tenders evaluated and ranked accordingly for placement of maintenance contract. Here, the supplier of the goods may also quote and its quotation, if received, is to be considered along with other quotations received. While evaluating the tenders for maintenance of goods covering a longer period (say, more than one year), the quoted prices pertaining to maintenance in future years are to be discounted to the net present value (NPV) as appropriate for comparing the tenders on equitable basis and deciding the lowest evaluated eligible tender.

The details of the services required for maintenance of the goods, the required period of maintenance and other relevant terms & conditions including payment terms are to be incorporated in the tender enquiry document. The terms of payment for the maintenance service will depend on the nature of the goods to be maintained

as well as the nature of the services desired. Generally, payments for maintenance are made on half-yearly or quarterly basis.

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

If the goods to be maintained are sophisticated and costly, the tender enquiry document should also have a provision for obtaining performance security. The amount of performance security should be 2.5 % of the value of the equipment to be maintained.

Sometimes, the maintenance contractor may have to take the goods or some components of the goods to its factory for repair, etc. On such occasions, before handing over the goods or components, suitable bank guarantee/other guarantee is to be obtained from the firm to safeguard purchaser's interest.

NOTE: Sometimes, during the tenure of a maintenance contract, especially with a longer tenure, it may become necessary for the purchase department to withdraw the maintenance contract due to some unforeseen reasons. To take care of the same, there should be a suitable provision in the tender document and in the resultant contract. A model clause to this effect is provided below:

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

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

The Administrative Department of the Secretariat may without previous consultation with Finance Department sanction expenditure related to Annual Maintenance Contract up to a limit of ₹ 3,00,000/- subject to the rules in force. In case of AMC of IT related items, for eg. computer and peripherals, other hardware, software and other programmes, concurrence of IT Department shall be required. In the case of other equipment/machineries, concurrence of PWD or accredited agencies shall be required.

With respect to Annual Maintenance Contract for computer, printer, photocopiers, machinery, lab equipment, AC & all other electronic & electrical equipment used for the functioning of the offices, Heads of Departments is delegated financial power upto ₹ 2 lakh subject to observance of Rules & procedures and subject to budget provision. In case of other equipment/machineries, concurrence of PWD or accredited agencies shall be required.

(29) Articles 134 & 135 will be omitted. (It is covered under modified Article 133)

(30) Article 139 may be deleted (It is covered under the new Article 133).

(31) In Article 140 (i) (a), the words and figures 'subjected to a minimum of Rs.30 in case of 5% value contract falls below Rs.30' will be omitted, and the word and figure 'Rs.1000 will be substituted by the word and figure Rs.1,00,000'

(32) In Article 140 (iv), the word and figure 'Rs.1000' will be substituted by the word and figure 'Rs.1,00,000'

(33) In Article 147 (iv), the first sentence will be substituted as follows:

Heads of Departments can accept late supplies after recording the reasons therefore upto three months after the prescribed date of delivery provided no loss on account

of such extension of time is incurred by the Government. For further period in the case of purchases costing below ₹ 40 lakh the orders of the Secretary to Government of the concerned department should be taken and in the case of purchases costing above ₹ 40 lakh the proposals should be send to the concerned Departmental Purchase Committee.

(34) In Article 148 (a) (iii), the word and figure 'Rs.5000' will be substituted by the word and figure 'Rs.50,000'

(35) The following Article will be incorporated under Article 162:

Article 162 A:

- (i) All purchasing officers will follow the provisions regarding E procurement system as per the Store Purchase Manual 2013.
- (ii) All purchasing officers will register suppliers in accordance with the revised Store Purchase Manual 2013
- (iii) The general principles of entering into contracts as per Chapter 5 of Store Purchase Manual 2013 will be followed by while signing contracts regarding purchase of stores.
- (iv) Guidelines on classification of Heads of Departments into 3 groups on the basis of value of annual purchase, purchase powers, constitution and function of Department Purchase Committees provided under the revised Store Purchase Manual 2013 will be followed.

(36) Annexure I below Article 162 A will be substituted as follows:

ANNEXURE I
(see Article 126 (a))

FORM OF QUOTATION NOTICE
NOTICE

| | |
|---|--|
| Quotation Number | |
| Due date and time for receipt of quotations | |
| Date and time for opening of quotations | |
| Date up to which the rates are to remain firm for acceptance | |
| Designation and address of officer to whom the quotation is to be addressed | |
| Superscription: Quotation for | |

Sealed quotations are invited for the supply of the materials specified in the schedule attached below/overleaf. The rates quoted should be for delivery of the articles at the place mentioned below the schedule. The necessary superscription, due date for the receipt of quotations, the date up to which the rates will have to remain firm for acceptance and the name and address of officer to whom the quotation is to be sent are noted above. Any quotation received after the time fixed on the due date is liable to be rejected. The maximum period required for delivery of the articles should also be mentioned. Quotations not stipulating period of firmness and with price variation clause and/or 'subject to prior sale' condition are liable to be rejected.

The acceptance of the quotations will be subject to the following conditions:

1. Acceptance of the quotation constitutes a concluded contract. Nevertheless, the successful tenderer must within a fortnight/a month after the acceptance of his quotation furnish 5 per cent of the amount of the contract as security deposit and execute an agreement at his own cost for the satisfactory fulfillment of the contract, if so required.
2. Withdrawal from the quotation after it is accepted or failure to supply within a specified time or according to specifications will entail cancellation of the order and purchases being made at the offerers expenses from elsewhere, any loss incurred thereby being payable by the defaulting party. In such an event the Government reserves also the right to remove the defaulter's name from the list of Government suppliers permanently or for a specified number of years.
3. Samples, duly listed, should be forwarded if called for under separate cover and the unapproved samples got back as early as possible by the offerers at their own expenses and the Government will in no case be liable for any expenses on account of the value of the samples or their transport charges, etc. In case, the samples are sent by railway; the railway receipt should be sent separately, and not along with the quotation since the quotation will be opened only on the appointed day and demurrage will have to be paid if the railway parcels are not cleared in time. Quotations for the supply of materials are liable to be rejected unless samples, if called for of the materials tendered for are forwarded. The approved samples may or may not be returned at the discretion of the undersigned. Samples sent by V.P. Post or "freight to pay" will not be accepted.
4. No representation for enhancement of price once accepted will be considered during the currency of the contract.
5. Any attempt on the part of tenderers or their agents to influence the Officers concerned in their favour by personal canvassing will disqualify the tenderers.

6. If any license or permit is required, tenderers must specify in their quotation and also state the authority to whom application is to be made.
7. The quotation may be for the entire or part supplies. But the tenderers should be prepared to carry out such portion of the supplies included in their quotation as may be allotted to them.
8.
 - (a) In cases where a successful tenderer, after having made partial supplies fails to fulfill 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 Government shall thereby together with such sums as may be fixed by the Government towards damages be recovered from the defaulting tenderer.
 - (b) 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.
 - (c) 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 Government or any other person authorized by Government and set-off against any claim of the Purchasing Officer or 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 Government or any other person authorized by Government.
9. 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.

10. (a) Ordinarily payments will be made only after the supplies are actually verified and taken to stock but in exceptional cases, payments against satisfactory shipping documents including certificates of Insurance will be made up to 90 per cent of the value of the materials at the discretion of Government. Bank charges incurred in connection with payment against documents through bank will be to the account of the contractor. The firms will produce stamped pre-receipted invoices in all cases where payments (advance/final) for release of railway receipts/shipping documents are made through Banks. In exceptional cases where the stamped receipts of the firms are not received for the payments (in advance) the unstamped receipt of the Bank (i.e. counterfoils of pay-in-slips issued by the Bank) alone may be accepted as a valid proof for the payment made.
- (b) The tenderers shall quote also the percentage of rebate (discount) offered by them in case the payment is made promptly within fifteen days/within one month of taking delivery of stores.
11. Any sum of money due and payable to the successful tenderer or contractor from Government shall be adjusted against any sum of money due to Government from him under any other contracts.
12. Special conditions, if any, printed on the quotation sheets of the tenderer or attached with the tender will not be applicable to the contract unless they are expressly accepted in writing by the purchases.

Place:

Date:

(Designation)

(37) Annexure IV below Article 162 A will be substituted as follows :

ANNEXURE IV
(see Article 131 (b))

LIST OF STORES USUALLY ORDERED

(The list is tentative and mentions important items only)

GROUP I

A. STATIONERY AND PRINTING

- I List of Standard Items of Paper and Boards**
- 1 Art card board white
 - 2 Art Paper
 - 3 Azurelaid ledger paper
 - 4 Bond paper
 - 5 Cartridge paper/Drawing paper
 - 6 Cheque paper
 - 7 Cloth lined paper
 - 8 Colour printing paper
 - 9 Cover paper
 - 10 Cream wove paper
 - 11 Cream wove super calendered paper
 - 12 Duplicating paper
 - 13 Colour wove paper
 - 14 Ivory card
 - 15 Craft paper
 - 16 Maplitho printing paper
 - 17 Manifold paper
 - 18 Pulp board white and coloured
 - 19 Photocopying paper
 - 20 Straw board
 - 21 Typewriting paper
 - 22 White printing paper
 - 23 Unbleached printing/semi bleached printing paper
 - 24 Computer printing paper
 - 25 Computer printer ribbon
 - 26 Computer stencil paper (digital)
 - 27 Floppy disc
 - 28 C.D.
 - 29 Printer cartridge
 - 30 USB flash drive (Pen Drive)

II LIST OF STANDARD MISCELLANEOUS ITEMS OF STATIONERY

Annual Items

1 Adhesive office paste

Binding Materials

2 Book binding leather

3 Book binding cloth (calico)

4 Rexine vinyl coated art fabric

5 Morooco leather

6 Cambric cloth

7 Carbon paper

8 Carbon paper pencil

9 Invitation cover

10 Common cover

Drawing materials

11 Drawing pin brass

12 Indian ink stick

13 Typewriter eraser

File Board

14 Handmade file board

15 Millmade file board

16 File book

17 Gum Arabic (Acacia)

18 Glue

19 Duplicating ink

20 Writing ink

21 Numbering ink

22 Stamp pad ink

23 Registration ink

24 Printing ink

25 Oil for typewriters

26 Oil cloth

27 Page cord

28 Pin sheet

29 Gem clip

30 Pencils

31 Stamp pad

32 Ribbon for Typewriter

33 Stencil paper

34 Laundry soap

35 Tag

36 Twine

37 Tracing paper

38 Tracing film

- 39 Write tape
- 40 Coloured tape
- 41 Sealing wax
- 42 Computer stationery

Non Annual Items

- 1 Auto writing sheet (Stylus plate)
- 2 Bound books
- 3 Brush, dust cleaning
- 4 Brush, typewriter cleaning
- 5 Ball point pen with jotter refill
- 6 Call bell spring nickel plated
- 7 Cello-tape
- 8 Drawing pen
- 9 Binder's needle
- 10 Paper weight (Rubber Glass)
- 11 Pin cushion
- 12 Stationery punch single hole pliers
- 13 Sewing thread
- 14 Stapler
- 15 Stapling wire
- 16 Binding scissors
- 17 Stationery scissors
- 18 Stylus pen
- 19 Writing pad
- 20 Table cloth
- 21 Pen stand
- 22 Correcting fluid
- 23 Instantaneous binder
- 24 Finger print ink black
- 25 Pen stand
- 26 File book
- 27 Ward book
- 28 Letter weighing balance (brass)
- 29 Metric weights (brass)

Office Machines

- 1 Typewriter – brief & policy size
- 2 Duplicator thin cylinder – Hand operated & electric
- 3 Numbering machine

Items specially indented by the Office of the Ministers and Chief Secretary

- 1 File cover
- 2 Plastic file folder
- 3 Chelpark ink (various colours)
- 4 Brill ink (various colours)
- 5 Refills for Reynolds ball pen
- 6 Reynolds ball pen

- 7 Jolter ball pen
- 8 Refill for other ball pen
- 9 Rubber piece, eraser and type eraser
- 10 Ribbon cassettes
- 11 Correction tape
- 12 Correction fluid
- 13 Glory (Office paste)
- B DRAWING MATERIALS**
- 1 Blue printing machine
- 2 Blue printing materials
- 3 Crow quills
- 4 Drawing Papers
- 5 Drawing pen
- 6 Drawing brushes
- 7 Drawing pencils
- 8 Drawing instruments and accessories
- 9 Footrule, set square, etc.
- 10 Indian ink
- 11 Tracing cloth and paper
- 12 Water colours
- 13 Polyester tracing and Drafting films
- C MATHEMATICAL AND SURVEYING INSTRUMENTS**
- 1 Engineer's measuring instruments
- 2 Measuring tapes
- 3 Marine instruments
- 4 Surveying instruments
- 5 Surveying Chains
- 6 Surveying accessories
- D MISCELLANEOUS**
- 1 Balance other than Laboratory balances
- 2 Bicycles
- 3 Beltings-cotton, canvas, etc.
- 4 Clocks and timepieces
- 4(a) Coir rope
- 5 Corks sheets, fiber sheet etc.
- 6 Cotton clean for stuffing
- 7 Cotton ropes
- 8 Cotton wastes
- 9 Fireclay
- 10 Fire extinguishers
- 11 Fire fighting equipment
- 12 Fish oil
- 13 Fixograph boards
- 14 Glass plater and sheet
- 14(a) Glassware other than Laboratory Glassware
- 15 Gauge glass

- 16 Hurricane lanterns, petromax, blow lamps
- 17 Manilla ropes, Sisal rope, etc.
- 18 Plywood and Hardboard
- 19 Packing boxes
- 20 Packing-Shemb, asbestos, rubber etc.
- 21 Rubber goods-Sheets, tubes, etc.
- 22 Shellac
- 23 Sewing machine
- 24 Soaps
- 25 Stoves
- 26 Sports goods
- 27 Weighing machine
- 28 Maps and Charts, etc.
- 29 Models
- 30 Musical Instruments
- 31 Laundry and Drycleaning equipments

GROUP II

A TEXTILE AND UNIFORM MATERIALS

- 1 Badges buckles, button etc.
- 2 Bandage, cloth and gauze
- 3 Bannath, blazer etc.
- 4 Blankets and Jamakals
- 5 Gold and silver laces
- 6 Hats and Caps
- 7 Haversacks, water bottles
- 8 Hosiery, cotton and woolen
- 9 Miscellaneous textiles
- 10 Mosquito curtains, nets
- 11 Raincoats
- 12 Span yarn
- 13 Towels, dusters, dungry, etc
- 14 Uniform cloths and materials
- 15 Woolen fabrics and goods
- 16 Yarn-Cotton, wool and silk

B JUTE AND HESSIAN GOODS

- 1 Canvas
- 2 Filter cloth for Ceramic Factory
- 3 Gunnies
- 4 Hessian cloth
- 5 Hemp
- 6 Jute and hessian threads
- 7 Tarpaulins
- 8 Waterproof of canvas, etc.

C LEATHER AND LEATHER GOODS

- 1 Boots
- 2 Chamois leather
- 3 Foot-wear (Shoes, Chappals etc.)
- 4 Hides and skins (raw and tanned)
- 5 Leather grindery
- 6 Leather belts, scabbards, etc.
- 7 Leather beltings
- 8 Leather washers
- 9 Leather bags and case
- 10 Murocco leather
- 11 Saddlery

D UPHOLSTERY MATERIALS

- 1 Upholstery cloth and leather cloth or Rexene
- 2 Plastics

GROUP III

A PAINTS, POLISHES, ETC.

- 1 Abrasives
- 2 Bees wax
- 3 Boot polish
- 4 Cuttlefish bones
- 5 Dubbin
- 6 Destempers
- 7 Enamels
- 8 French polish
- 9 Lacquers, diluents, thinners, etc.
- 10 Linseed oil
- 11 Metal polish, floor polish, etc.
- 12 Painting brushes
- 13 Paints R.M. and stiff
- 14 Turpentine
- 15 Varnishes
- 16 Wood oil

B MINERAL OILS, ETC.

- 1 Fuel oils (Petrol, Kerosene, Diesel oil, etc.)
- 2 Lubricants
- 3 Transformer oil
- 4 Furnace oil

C VEGETABLE OILS

- 1 Coconut oil
- 2 Gingelly oil
- 3 Castrol oil
- 4 Groundnut oil
- 5 Others

GROUP IV

A MEDICAL

- 1 Antibiotics
- 2 Artificial limbs and rehabilitation aids
- 3 Ayurveda superior medicines for preparation of drugs
- 4 Chemicals
- 5 Bottles, corks, etc.
- 6 Chemicals (other than Heavy Chemicals)
- 7 Disinfectants
- 8 Drugs
- 9 Enamelware
- 10 Fungicide
- 11 Glassware
- 12 Hospital furniture and equipment
- 13 Insecticides, larvicides, etc.
- 14 Injectibles
- 15 Laboratory equipment
- 16 Oils (medical)
- 17 Pharmaceutical Products
- 18 Specialties patents
- 19 Sera and vaccines
- 20 Spirits
- 21 Surgical instruments
- 22 Surgical appliances
- 23 Surgical dressings
- 24 Tinctures, liniments, syrups
- 25 Veterinary and Horticultural Medicines

B ELECTRO MEDICAL

- 1 X-ray apparatus
- 2 X-ray accessories
- 3 Other electro-medical equipment
- 4 Radium
- 5 Photographic materials–miscellaneous

C PHOTOGRAPHIC MATERIALS

- 1 Cameras, lenses, etc.
- 2 X-ray films, plates, etc.
- 3 Photo blocks
- 4 Photographic chemicals including X-ray chemicals
- 5 Photographic materials – miscellaneous
- 6 Plates, films, papers, etc.
- 7 Sound projectors

D CHEMICALS, LABORATORY EQUIPMENT

- 1 Apparatus and fittings
- 2 Balances and weights

- 3 Chemicals fertilizers
- 4 Chemical dyes
- 5 Colours
- 6 Heavy chemicals
- 7 Hoses for oils, etc.
- 8 Plant protection chemicals
- 9 Pure and fine chemicals
- 10 Laboratory chemicals and equipment in general
- 11 Quart, feldspar and gypsum
- 12 Soda ash and caustic soda
- 13 Sulphate of alumina
- E EXPLOSIVE, AMMUNITION, ETC.**
- 1 Ammunition
- 2 Explosive for rock drilling
- 3 Explosive for earth moving
- F MINERAL PRODUCTS**
- 1 Quartz, F and G
- 2 Graphite
- 3 Plumbago

GROUP V

- A HARDWARE**
- 1 Bearings
- 2 Bolts and nuts, rivets
- 3 Builders hardware
- 4 Buckets
- 5 Barbed wire
- 6 C.I. scraps
- 7 C.I. pipes, bends and other castings
- 8 G.I. sheets and wire
- 9 Expanded metal
- 10 Fabrications and fittings
- 11 G.I. wire netting, webbing, etc.
- 12 G.I. fittings for electric transmission lines, etc.
- 13 Handcuffs
- 14 Iron chains
- 15 M.S. rounds, flats, angle, channels, hoops, etc.
- 16 Iron safes, cash boxes, etc.
- 17 M.S. washers
- 18 Locks
- 19 Nails and screws
- 20 Non-ferrous metals, alloys, ingots, sheets, wires, rods, pipes, etc.
- 21 Pig iron
- 22 Pully blocks
- 23 Rails, fish-plates, etc.

- 24 R.S. girders, joints, etc.
- 25 Stay tighteners
- 26 Spring steel
- 27 Springs
- 28 Type metal
- 29 Tin containers
- 30 Tool steel
- 31 Turn buckles
- 32 Utensil – brass, copper, aluminium, etc.
- 33 Wire brushes
- 34 Wire ropes

B TOOLS AND IMPLEMENTS

- 1 Bill books, choppers, etc.
- 2 Drills and reamers
- 3 Electricians' tools
- 4 Felling axe
- 5 Garden tools
- 6 Hand tools
- 7 Jacks
- 8 Knurling tools
- 9 Mammatties, spades, pickaxes, shovels, etc.
- 10 Mortar pans
- 11 Metal working tools
- 12 Wood working tools
- 13 Wrenches, spanners, etc.
- 14 Agricultural implements (hand operated)
- 15 Areacanut/Coconut/Palm Climber
- 16 Areacanut/Coconut De-husker
- 17 Cono Weeder
- 18 Cage Wheel
- 19 Cultivator
- 20 Rotavator
- 21 Backhoe
- 22 Front End Loader
- 23 Disc Plough
- 24 Disc Harrow
- 25 Ridger
- 26 Mould Board Plough
- 27 Post Hole Digger
- 28 Sub Soiler
- 29 Leveller
- 30 Laser Leveller
- 31 Rotary Tiller
- 32 Fertilizer cum Seed Drill
- 33 Seeding/Pot Trays
- 34 Safety Equipments (Helmet, Glouse, Gum Boot, Belt etc.)

- 35 Measuring materials (Pressure gauge, altimeter, moisture meter, etc.)
- 36 Ultra Light Pole
- 37 Feramon Trap/Light Trap
- 38 Trays for Nursery Raising
- 39 Milk Can, Ear tag, Rubber mat etc.
- C WATERWORKS AND SANITARY GOODS**
- 1 Asbestos cement pipes
- 2 C.I. pipes
- 3 G.I. pipes and fittings
- 4 Hose pipes-rubber, canvas, armoured, etc.
- 5 Stoneware pipes and fittings
- 6 Sanitary ware and fittings
- 7 Sluice valves
- 8 Venturimetres
- 9 Water metres
- 10 Water works fittings
- 11 PVC/FRP water tanks
- 12 RCC spun pipe and fittings
- 13 RCC/PVC sewage/septic tanks
- 14 Gun metal/CI cast iron/PVC valves
- 15 PVC/RCC/GI/CI/HDPE/PPr/ASTM/uPVC/cPVC Pipes & Accessories
- 16 Sprinkler/Drip materials
- 17 Water Purifier

GROUP VI

- A GENERAL MACHINERY**
- 1 Air compressors
- 2 Boilers, etc.
- 3 Bitumen boilers, concrete mixtures, etc.
- 4 Concrete mixers, vibrators, etc.
- 5 Ceramic machinery
- 6 Cranes, winches, derricks, etc.
- 7 Dam and barrage equipment-gates, control, etc.
- 8 Diesel locomotives
- 9 Earthmoving machinery
- 10 Electric blowers
- 11 Electrodes
- 12 Filter plant
- 13 Filter-streamline for oils
- 14 Gas, steam and oil engines
- 15 Granulators
- 16 Ice plant
- 17 Laboratory Engines

| | |
|----|---|
| 18 | Machines, tools and accessories |
| 19 | Metal working machinery |
| 20 | Marine engine |
| 21 | Machinery for smithy shop |
| 22 | Poultry farm equipment |
| 23 | Pneumatic tools and accessories |
| 24 | Machinery for milk and milk products Trailer Pumps |
| 25 | Pumpsets and accessories |
| 26 | Road making and dressing machinery |
| 27 | Road rollers |
| 28 | Stone crushers |
| 29 | Tipping wagons |
| 30 | Textile machinery |
| 31 | Trailer pumps |
| 32 | Welding sets |
| 33 | Well drilling equipment |
| 34 | Wood working machinery |
| 35 | Wheel barrows |
| 36 | Coir Rat Machinery |
| 37 | Weed Cutter/Brush Cutter |
| 38 | Garden Tiller/Mini Tiller |
| 39 | Earth Augur |
| 40 | Lawn Mover |
| 41 | Tea Plucker |
| 42 | Power Weeder |
| 43 | Chain Saw |
| 44 | Pole Pruner |
| 45 | Hedge Trimmer |
| 46 | Fogging Machine |
| 47 | Uruli Roaster |
| 48 | Vacuum Cleaner |
| 49 | High Pressure Cleaner |
| 50 | Shreader |
| 51 | Rubber Roller |
| 52 | Paddy Thresher |
| 53 | Paddy Winnover |
| 54 | Paddy Thresher cum Winnover |
| 55 | Copra Drier |
| 56 | Chaff Cutter |
| 57 | Pulveriser |
| 58 | Rice Huller |
| 59 | Oil Expeller/Filter press |
| 60 | Freezer |
| 61 | Plastic Shredding Machine |
| 62 | Sanitary Napkin Vending Machine/Destroyer |

- 63 Leaf cup/plate making machine
- 64 Machineries/equipments for slaughter house
- 65 Paper carry bag/cup/plate/envelop making machine
- 66 Potato chips making machine
- 67 Pappad/Chapati making machine
- 68 Vermicelli making machine
- 69 Pet bottle/Pouch/bottle making machine
- 70 Banana fibre extracting machine
- 71 Coir de-fibering machine
- 72 Power laundry machinery
- 73 Packing/sealing machine
- 74 Electric Motors
- 75 Diesel/Petrol Engines
- 76 Petty and para with accessories
- 77 Alternators
- 78 Cream separator
- 79 Egg incubator/hatcher
- 80 Bailing machine
- 81 Bailing press
- B MOTOR VEHICLES, TRACTORS, ETC.**
- 1 Agricultural –Tractors
- 2 Vehicles petrol driven
- 3 Vehicles, diesel driven
- 4 Cars
- 5 Jeeps
- 6 Garage tools and equipment
- 7 Tyres, tubes and flaps
- 8 Motor spares
- 9 Trailers
- 10 Power sprayer for plant protection work
- 11 Manually operated compression sprayer for plant protection work
- 12 Combine harvester
- 13 Paddy transplanter
- 14 Power tiller
- 15 Nursery raising machines
- 16 Seedling machine
- 17 Mini tractors with accessories
- 18 Trailer for Tractor/Tiller/Jeep
- 19 Garbage trailer/Tipping trailer
- 20 Trailer mounted water tanks with pump
- 21 Paddy reaper
- C GASES AND GAS PLANTS**
- 1 Oxygen – Industrial and Medical
- 2 Acetylene
- 3 Ammonia

- 4 Gas plants
- 5 Gas fittings
- 6 Nitrous oxide
- 7 Carbon dioxide
- 8 Chlorine (liquid and gas)
- 9 Others
- 10 PVC/FRP Biogas Plants
- 11 Bio gas stove and fittings
- 12 PVC Pipe composting units
- 13 PVC/Terracotta vermi compost units
- 14 PVC/GI/MS waste bin
- 15 Incinerators
- 16 Crematorium

GROUP VII

- A SUB GROUP A – ELECTRICAL ITEMS**
- 1 Accumulator cell
 - 2 A.C.S.R. conductors and Accessories
 - 3 Air conditioning equipment
 - 4 Amplifiers
 - 5 Batteries for vehicles, etc.
 - 6 Battery plates
 - 7 Cells, Dry
 - 8 Copper conductors
 - 9 Cables – V.I.R., C.T.S. weather proof P.V.C. etc.
 - 10 Cables underground
 - 11 Conduits and accessories
 - 12 Carbon brushes
 - 13 Electric lifts
 - 14 Electric motors
 - 15 Electric fractional
 - 16 Electric appliances-stoves, heaters, ironing box, etc.
 - 17 Electric bulbs
 - 18 Flashlights, cells, bulbs
 - 19 Flood lights
 - 20 Fans-table, ceiling, exhaust and others
 - 21 Generating sets
 - 22 Hydro-electric machinery
 - 23 Insulators L.T.
 - 24 Insulators H.T.
 - 25 Insulating materials
 - 26 Lamps – General service and others
 - 27 Lighting arresters
 - 28 P.A. equipment
 - 29 Meters and other measuring instruments

- 30 Penstock lines
- 31 Power packs
- 32 Radios
- 33 Rectifiers
- 34 Refrigerators, cold storage, etc.
- 35 Shades, globes, etc.
- 36 Storage batteries
- 37 Steel windows, ventilators, rolling shutters, etc. for power house
- 38 Siren
- 39 Street light, reflectors, etc.
- 40 Switchgear
- 41 Transformers
- 42 Telephone and accessories
- 43 Transmission line towers
- 44 Transmission line materials
- 45 Turbines, water wheels
- 46 Water coolers
- 47 Wires-enameled, fuse, etc.
- 48 Wiring accessories
- 49 LED Products (LED Lighting System)
- 50 Solar energy/lighting systems and accessories
- 51 CFL Road Lighting Luminaries
- 52 Fluorescent Fixtures
- 53 Electrical Spares
- 54 Electronic Brackets
- 55 Mounting Brackets
- 56 LED Street Light
- 57 Sodium Vapour Lamp Fittings
- 58 Control Panel Board

SUB GROUP B-ELECTRONIC EQUIPMENTS

- 1 Electronic Typewriter
- 2 Electronic Tape recorder
- 3 Computer and computer peripherals
- 4 Telecommunication equipments and micro processor development system

GROUP VIII

A BUILDING MATERIALS

- 1 Asbestos, cement sheets, pipes, etc.
- 2 Bricks, wire cut
- 3 Bricks, others
- 4 Cement and cement products
- 5 Surkie
- 6 Tiles – roofing, flooring, etc.

B ROAD DRESSING MATERIALS

- 1 Asphalt (Bitumen)
- 2 Tar (Coal or wood)
- 3 Other road dressing materials

C FUELS

- 1 Charcoal
- 2 Coal and coke
- 3 Firewood

GROUP IX

A OFFICE – FURNITURE

- 1 Cane furniture
- 2 Steel furniture
- 3 Wooden furniture

B HOSPITAL FURNITURE - STEEL FURNITURE

- 1 Bedsteads
- 2 Beside lockers
- 3 Instruments tools
- 4 Exam. Table
- 5 Trolleys'
- 6 Stretchers, etc.

GROUP X

OTHERS

- 1 Bicycles/Tricycles
- 2 Tender coconut parlour/elaneer pandal
- 3 Bio fertilizers/bio pesticides
- 4 Honey bee colony with extractor
- 5 Seeds and seedlings
- 6 Rain water harvesting system
- 7 Shade net
- 8 UV film
- 9 Tarpaulin
- 10 Green House, Poly house, glass house, mist chamber etc.
- 11 Solar battery, solar drier, solar water heater, solar panel, solar lantern, solar cooker
- 12 Grow bags

(38) Annexure V below Article 162 A will be substituted as follows:

ANNEXURE V

(see Article 131 (n))

PROCEDURE FOR UTILIZING THE SERVICES OF THE CENTRAL PURCHASE ORGANISATION

When tenders are invited from abroad, the following instructions should be observed.

1. A sufficient supply of tender forms with the relevant documents, specifications and drawings should be sent as soon as possible to the wing of the Central Purchase Organisation concerned which will give such publicity to the invitation to tender as it considers to be most suitable for the purposes, either by advertisement in the newspapers or otherwise. It will, as a rule, advertise the invitation to tender in the newspapers if the value of the articles required is estimated at ₹ 1,00,000 or more. It will also instruct intending tenderers outside India to apply to it for the tender forms and will supply copies on payment in Sterling of the charges (if any) to be fixed by it in each case. It will at the same time instruct the tenderers to submit their tenders direct to the Purchasing Officer in India and not to them. The Purchasing Officer in India will place the order direct with the successful tenderer.
2. When it is desired to have the recommendation of the technical advisers of the Central Purchase Organisation, i.e., the Consulting Engineers, the Naval Architects etc., on the tenders before the order is placed, the Purchasing Officer should stipulate in the invitation to tender that a complete duplicate of the tender should be delivered to them, on the date as that fixed for the receipt of the tenders in India. The Central Purchase Organisation will then arrange for the examination of the tenders by the appropriate technical authority and will convey by the easiest means its recommendation to the Purchasing Officer in India.

3. The Purchasing Officer should make it clear in every tender form that the articles concerned must be delivered in India, that payment will be made in Indian Rupees, and that any tender which does not comply with these conditions will not be considered. Tenderers abroad should also be required to specify their agents in India through whom delivery will be arranged and payment received and who when so required, will arrange for the erection of the plant at the site and for the carrying out of such tests on completion as may be specified in the contract.

4. It is important that purchasing officers should bear in mind, when considering the desirability of calling for tenders abroad, the need for allowing sufficient time for the receipt and publication of invitations to tender, the receipt of the tender forms by the tenderers, and the preparation and despatch of the tenders to India.

(39) Annexure VI below Article 162 A will be substituted as follows:

ANNEXURE VI
(see Article 130)
FORM OF TENDER

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, or any portion thereof, as may be decided by Government, 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

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. Duplicate copies of tender forms will also be issued at the rate specified 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 who has not registered his name with the state Government (Stores Purchase Department), 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. 1500, if the amount calculated at one per cent of the value of the articles tendered for falls below Rs. 1500. The amount may be paid either by remittance into any Government Treasury in chalans in duplicate, duly countersigned by the officer mentioned below or by

Demand Drafts (crossed) on the local branch of State Bank of Travancore/State Bank of India drawn in favour of the officer mentioned below. In the case of remittance into the treasury, chalan receipt should be forwarded along with the tender. Cheques will not be accepted. The earnest money of the unsuccessful tenderers will be returned within a period of one month after the tenders are settled; 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. "If the Earnest Money Deposit of the successful tenderer is not refunded within three months of finalization of the contract interest at the rate of interest paid for S.B. accounts by nationalized banks will be paid on the Earnest Money Deposit".

(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 stores 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) (i) Micro, Small & Medium Enterprises and Cottage Industries and Industrial co-operatives within the State which are certified as such by the Director of Industries and commerce or by the Regional Joint Directors of Industries and Commerce will be exempted from furnishing earnest money deposits in support of tenders submitted by them to Government Departments. The Khadi and Village Industries Co-operative Societies and the institutions registered under the Literary, Scientific and Charitable Societies Act and financed by the Kerala Khadi and Village Industries Board within that State which are certified as such by the Secretary, Kerala Khadi & Village Industries Board will be exempted from furnishing earnest money deposits in support of tenders submitted by them to Government Departments. Government Institutions/State Public Sector Industries which manufacture and supply stores

will also be exempted from furnishing earnest money for tenders submitted by them.

(ii) Micro and Small Enterprises and Industrial Co-operatives within the State which have been registered as such with the Industries Department (Department under the control of the Director of Industries and Commerce) on furnishing proof of such registration will be exempted from furnishing security deposit against contracts for supply of stores manufactured by them provided that an officer of and above the rank of Deputy Director of Industries and commerce having jurisdiction over the area also certifies to the soundness and reliability of the concerns to undertake the contracts. The Khadi and Village Industries Co-operative Societies within the State which have been registered as such with the Kerala Khadi and Village Industries Board and the institutions registered under the Literary, Scientific and Charitable Societies Act and which are financed by the Board within the State on furnishing proof of such registration will be exempted from furnishing security deposits against contracts for supply of stores manufactured by them provided that the Secretary, Kerala Khadi and Village Industries Board also certifies to the soundness and reliability of the concerns to undertake the contracts. Government Institutions or any Institutions listed in Annexure 16 which supplies stores, and Government of India Undertaking will also be exempted from furnishing security in respect of contracts for supply of stores.

(d) In the matter of purchase of stores by the State Government Departments, Small Scale Industrial Units sponsored by the National Small Scale Industries Corporation Limited, New Delhi and in respect of which competency certificates are issued by the Corporation will be exempted from payment of Earnest Money Deposits and Security Deposits.

(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 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 Government or such action taken against him as Government think 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 whether the articles offered bear Indian Standards Institution Certification Mark 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. 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 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.

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 percent 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 or in Government Treasury Savings Bank and the Pass Book pledged to Purchasing Officer or in Fixed Deposit Receipts of State Bank of Travancore/State Bank of India endorsed in favour of the above officer. Letters of guarantee in the prescribed form for the amount of security from an approved Bank will also be considered enough at the discretion of government. 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 Government and contract arranged elsewhere at the defaulter's risk and any loss incurred by Government on account of the purchase will be recovered from the defaulter who will, however, not be entitled to any gain accruing thereby. If the defaulting firm is a registered firm their registration is liable to be canceled.

(b) In cases where a successful tenderer, after having made partial supplies fails to fulfill 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 Government shall

thereby together with such sums as may be fixed by the 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 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.

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 Department concerned and the contractor, the Department 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 Government to the contractor. In all cases where there are guarantee for the goods supplied the security deposit will be released only after the expiry of the guarantee period. If the Security is not released even after the completion of one year, from the date of expiry of the period of contract provided there are no complaints against the contractor. Interest at the rate of interest paid for S.B. accounts by nationalized banks will be paid on the Security Deposit.

(a) "If the Earnest Money Deposit/Security Deposit is not released within the period specified for no fault of the Contractor, the loss incurred to Government

shall be made good from the Officer responsible for the belated release of the Earnest Money deposit/Security Deposit.”

14. (a) All payments to the contractors will be made by the Purchasing Officer in due course:-
 - (i) either by Departmental cheques payable at the Kerala Government Treasuries; or
 - (ii) by cheques or drafts on the Reserve Bank of India, State Bank of India and State Bank of Travancore (at any of their Principal Branches in India).
 - (iii) In the case of supplies from abroad by drafts as may be, arranged between the contracting parties.
- (b) All incidental expenses incurred by the 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 fifteen days/within one month of taking delivery of stores.
16. Ordinarily payments will be made only after the supplies are actually verified and taken to stock but in exceptional cases, payments against satisfactory shipping documents including certificates of Insurance will be made up to 90 percent of the value of the materials at the discretion of Government. Bank charges incurred in connection with payment against documents through bank will be to the account of the contractor. The firms will produce stamped pre-receipted invoices in all cases where payments (advance/final) for release of railway receipts/shipping documents are made through banks. In exceptional cases where the stamped receipts of the firms are not received for the payments (in advance) the unstamped receipt of the Bank (i.e., counterfoils of pay-in-slips issued by the Bank) alone may be accepted as a valid proof for the payment made.

17. 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.

18. (a) 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 Department/ Government may complete the contract in such time and manner and by such persons as the Department/Government shall think fit. But such determination of the contract shall be without any prejudice to any right or remedy of the 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 Government by any breach of contract by the contractor shall be paid by the contractor to Government, and may be recovered from him under the provisions of the Revenue Recovery Act in force in the State.

(b) The persons/contractors submitting tenders should produce a solvency certificate, clearly indicating to what extent they are solvent from the Tahsildar of the Taluk where they reside along with their tenders.

NOTE: The solvency certificate referred to above will apply only in the case of supply of the following articles viz., dietary articles, fuels, raw materials like roots, creepers, flowers etc., and provisions to hospitals and hostels, sundry articles etc.

19. (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 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 Government by an order in writing under the hand of the Purchasing Officer put an end to this contract and in case the 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 Government under and by virtue of this contract, it shall be lawful for the Government from and out of any moneys for the time being payable or owing to the contractor from the Government under or by virtue of this contract or otherwise to pay and reimburse to the 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 whose jurisdiction the Purchasing Officer voluntarily resides.

20. 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 Government or any other person authorized by Government and set off against any claim of the Purchasing Officer or 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 Government or any other person authorized by Government. Any sum of money due and payable to the successful tenderer or contractor from Government shall be adjusted against any sum of money due to Government from him under any other contracts.
21. 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.
22. The tenderer shall undertake to supply materials according to the standard sample and/or specifications.
23. (a) No representation for enhancement of rates once accepted will be considered. However, in exceptional cases if Government is convinced of any compelling need for enhancement of rate, it may do so.

(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 purchasing Department of Government.

24. Any attempt on the part of the tenderers or their agents to influence the Department/Stores Purchase Department in their favour by personal canvassing with the Officers concerned will disqualify the tenderers.
25. Tenderers should be prepared to accept orders subject to the penalty clause for forfeiture of security in the even of default in supplies or failure to supply within the stipulated period.
26. Samples should be forwarded if called for and unapproved samples go 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 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. 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.

27. Telegraphic quotations will not be considered unless they give details of prices and are immediately followed by confirmation with full relevant details posted before the due date of the tender.

28. (a) 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.

(b) In case payment of customs/excise duty is to be made by the Purchasing Officer, the Purchasing Officer will pay the duty on the “unloaded invoice price” only in the first instance, any difference being paid when the tenderer produces, the final assessment orders later.

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

“Certified that the goods on which sales tax has been charged have not been exempted under the Central Sales Tax Act or States 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 thereunder, 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.”

30. 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.

31. (This applies only to the case of supply contracts where works such as erection and construction have also to be done. This may be scored out when not applicable). 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 award of an arbitrator to be nominated by the purchasing officer and an arbitrator to be nominated by the contractor or in case of the said arbitrators not agreeing then to the award of an umpire to be appointed by the arbitrators in writing before proceeding on the reference and the decision of the arbitration or in the event of their not agreeing of the umpire appointed by them shall be final and conclusive and the provision of the Indian Arbitration Act, 1940 and of the rules thereunder and any statutory modifications thereof shall be deemed to apply to and be incorporated in this contract. Upon every and any such reference the assessment of the costs incidental to their reference and award respectively shall be in the discretion of the arbitrators or in the event of their not agreeing of the umpire appointed by them. The venue of arbitration shall be the place from which the acceptance of tender is issued or such other place as the purchaser at his entire discretion may determine.

32. The tenderer should send along with his tender an agreement executed and signed in Kerala Stamp Paper of value Rs.15 purchased in the Kerala State. Stamp Paper will be supplied to firms outside Kerala along with the tender forms on payment of Rs. 20 (Rs. 15 being the value of the stamp paper and Rs.5 incidental charges) which may be remitted by money order in advance. A specimen form of agreement is also given in this Annexure. Tenders without the agreement in stamped paper will be rejected outright. But in deserving cases where agreement has not been received, the purchasing officer may exercise his discretion and call upon such tenderer to execute the agreement within a period of ten days from the date of issue of such intimation, if the Purchasing Officer is satisfied that the omission to forward the agreement along with the tender was due to causes beyond the control of the tenderer and was

not due to any negligence on his part. Agreement received from a tenderer after the above time limit will not be considered.

| | |
|--|--|
| Superscription - Tender No..... | |
| for..... | |
| Due date and time for receipt of tender | |
| Date and time for opening of tender | |
| Date upto which the rates are to be firm | |
| Price of tender form | |
| Price of duplicate copy | |
| Address of Officer from whom tender forms are to be obtained and to whom tenders are to be sent: | |

Name of Office: (Name & designation of Purchasing Officer)
 Station and date:

SCHEDULE OF MATERIALS

| Sl. No. | Specifications | Quantity | Unit | Rate (Rs. P.) | Total (Rs. P.) | Remarks |
|---------|----------------|----------|------|---------------|----------------|---------|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| | | | | | | |

Whether samples essential:

Period within which goods should be delivered:

Rates should be quoted for delivery f.o.r
 at Departmental Stores

Other special conditions:

AGREEMENT

Articles of agreement executed on this the day of between the Governor of Kerala (hereinafter referred to as “the 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 Notification No..... dated the bounden has submitted to the 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.....(Rupees in words)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 Government and the contract for is awarded to the bounden, the bounden shall withindays of acceptance of his tender execute an agreement with the Government incorporating all the terms and conditions under which the 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 Government shall have power and authority to recover from the bounden any loss or damage caused to the Government by such breach as may be determined by the 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 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 Government may deem fit.

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

Signed by Shri..... (date)

In the presence of witnesses:

1.

2.

Signed by Shri.(date)

In the presence of witnesses:

1.

2.

(40) Annexure IX below Article 162 A will be substituted as follows:

Annexure IX
(see Article 140 (1) a)

A. MODEL BANK GUARANTEE FORMAT FOR FURNISHING EMD

GUARANTEE BOND PRESCRIBED BY THE GOVERNMENT OF KERALA

(To be used by Nationalised and Scheduled Commercial Banks)

Whereas (hereinafter called the “tenderer”) has submitted their offer dated for the supply of (hereinafter called the “tender”) against the purchaser’s tender enquiry No..... KNOW ALL MEN by these presents that WE of having our registered office at are bound unto (hereinafter called the “Purchaser”) in the sum offor which payment will and truly to be made to the said Purchaser, the Bank binds itself, its successors and assigns by these presents. Sealed with the Common Seal of the said Bank this day of 20.....

The conditions of this obligation are :

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

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

This guarantee will remain in force upto and including 45 days after the period of tender validity and any demand in respect thereof should reach the Bank not later than the above date.

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

.....
.....
Name and designation of the Officer

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

**B. MODEL BANK GUARANTEE FORMAT FOR FURNISHING
PERFORMANCE SECURITY DEPOSIT**

GUARANTEE BOND PRESCRIBED BY THE GOVERNMENT OF KERALA

(To be used by Nationalised and Scheduled Commercial Banks)

In consideration of the Governor of Kerala (hereinafter called the “Government”) having agree to exempt (H.E. name and address) [Hereinafter called “the said Contractor(s)”] from the demand, under the terms and conditions of an agreement dated..... made between andfor (hereinafter called “the said Agreement”) of security deposit 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 Government an amount not exceeding Rs..... (Rupees in words) against any loss or damage caused to or suffered 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

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 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).....

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 Government under or by virtue of the said Agreement have been fully paid and its claims satisfied or discharged of till(Office/Department) 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 period fixed 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 Government that the 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 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 Government or any indulgence by the 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 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 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 Government in writing

Dated.....day oftwo thousand
..... for Bank Limited

(41) Annexure X below Article 162 A will be substituted as follows:

Annexure X
(see Article 140 (iv))
FORM OF AGREEMENT

(For contracts for supply of specific quantities)

AGREEMENT executedday ofbetween (hereinafter called “the Contractor”) and the Governor of Kerala (hereinafter called “the Government).

WHEREAS the Contractor has tendered for the supply of articles for the use of the Government as per tender Notification No.dated published at pages of part of the Kerala Government Gazette dated which tender notification shall form part of this Agreement as if incorporated herein.

“AND WHEREAS the 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.....(Rupees in words)..... beingpercent of the estimated value of the contract in Treasury as per Pass Book No..... Chalan No..... and pledged the Pass Book to the/ as per draft onBank duly approved by the Government/in the form of a letter of guarantee for such amount from Bank approved by the Government.

NOW THESE PRESENTS WITNESS AS FOLLOWS

- 1.(a) In cases where along with the tender samples have been forwarded to the 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 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 Government will not be paid for and shall be the property of Government but the Government are at liberty to return them to the Contractor on the completion of his contract or to pay for them at agreed rates if they so choose. 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 Government to see if the supplies made are according to the approved samples.

- (b) 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 ofdays/months from the date of delivery of the said goods to Government and that notwithstanding the fact that the Government may have inspected and/or approved the said goods, if during the aforesaid period ofdays/months the said goods be discovered not to conform to the description and quality aforesaid or have deteriorated (and the decision of the Government in that behalf will be final and conclusive) the 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 Government. Otherwise the Contractor shall pay to the 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 Government in that behalf under this contract or otherwise.

2. Requests for enhancement of rates once accepted will not be considered except where Government have prior to the actual supplies, expressly agreed in writing for any price variation under specified circumstance, conditions of sale or other special terms and conditions, if any, printed on the quotation sheets of the Contractor or attached with the contractors' tender or any other letter or paper from the Contractor will not govern this contract nor bind the Government in any manner whatsoever unless such terms have been expressly accepted by the Government in writing.
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. In the case of goods delivered by shipment, the Contractor, shall where the expected tonnage of goods is more than 200 tons, deliver the goods through the Trivandrum Port if so required by the Government.
5. The Contractor agrees that time is the essence of this contract.
- 6(a) If the Contractor defaults in the supply of all or any of the articles correctly and promptly as above the Government are at liberty to procure the same from elsewhere without cancelling the contract as a whole. If Government

incur, in thus procuring such materials a higher cost than the agreed rate such excess cost may be deducted by the 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 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.

7(a) All payments to the Contractor for supplies effected satisfactorily will be made after scrutiny of his bills -

- (i) either by departmental cheques payable at the Government Treasuries.

- (ii) or by cheques or drafts on the Reserve Bank of India, State Bank of India and State Bank of Travancore (at any of their principal branches in India):

- (iii) Or in the case of supplies from abroad by drafts or otherwise as may be agreed to.

- (b) The firms will produce stamped pre-receipted invoices in all cases where payments (advance/final) for release of railway receipts/shipping documents are made through Banks. In exceptional cases where the stamped receipts of the firms are not received for the payments (in advance) the unstamped receipt of the bank (ie counterfoils of pay-in-slips issued by the Bank) alone may be accepted as a valid proof for the payment made.

8. All incidental expenses incurred by the Government for making payment outside the District in which the claim arises shall be borne by the contractor.
9. 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 Government. The 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.
10. NOTWITHSTANDING the provisions contained in clause 5, the Government shall have the right to cancel the contract for any default on the part of the contractor in due performance thereof.
11. It shall be lawful for the Government from and out of any money for the time being payable or due to the Contractor from the Government under this contract or otherwise to set off any loss or expense, cost or damages sustained or incurred by the Government by reason of the cancellation of the contract.
12. 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 are guarantee for the goods supplied the security deposit will be released only after the expiry of the guarantee period.
13. 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.

14. 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 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 Government/Purchasing Officer in that behalf and to ensure the proper functioning of the machinery till the guarantee period is over.

NOTE: In the event of failure of the contractor to erect the machinery within the time and at the place specified by the Government/Purchasing Officer or in the event of the machinery failing to function properly during the guarantee period the amount spent by the Government and the loss sustained by the Government on this account by making alternative arrangements shall be recoverable from the contractor in the manner provided in Clause 15 hereunder.

15. The Contractor agrees that all sums found due to the 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 Government may deem fit. In deciding what sum of money is due to Government under or by virtue of this deed, the contractor agrees that the decision of the 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 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) for and on behalf of
the Governor of Kerala have hereunto set their hands.

Signed, sealed and delivered by.....

(Contractor)

In the presence of witness (1)

(2)

Signed, sealed and delivery by Shri
(H.E name and designation) for and on behalf of the Governor of Kerala.

In the presence of witness (1)

(2)

(42) Annexure XI below Article 162 A will be substituted as follows:

Annexure XI

(see Article 141)

FORM OF AGREEMENT

(For Rate or Running Contracts)

Agreement executed the day of between
.....(hereinafter called “the Contractor”) and
Governor of Kerala (hereinafter called “the Government”).

WHEREAS the Contractor has tendered for the supply of articles for the use of the
Government as per tender Notification No.dated
..... Published at pages of part
..... of the Kerala Government Gazette dated Which
tender notification shall form part of this Agreement as if corporated herein;

“AND WHEREAS the Government/Purchasing Officer have/has been pleased to
accept the offer subject to the conditions stipulated in the supply order No.
.....Datedich 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..... (Rupees in words)
..... beingper cent of the estimated value of
the contract in Treasury as per Pass Book No.
...../Chalan No. and pledged the Pass Book to the
...../ as per draft onBank duly approved by
the Government/ in the form of a letter of guarantee for such amount from
.....Bank approved by the Government.

NOW THESE PRESENTS WITNESS AS FOLLOWS

1. (a) In cases where along with the tender samples have been forwarded to the Government and the sample approved the Contractor agrees to supply the materials according to the approved samples. In other cases the Contractor agrees to forward samples to Government for approval if so required and then to supply materials according to such approved samples. When samples are not required, the Contractor agrees to supply according to standard specifications.

Samples forwarded by the Contractor to the Government will not be paid for and shall be the property of the Government but the Government are at liberty to return them to the Contractor on the completion of his contract or to pay for them at agreed rates if they so choose. 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 Government to see if the supplies made are according to the approved samples.

(b) 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 here with and the Contractor hereby guarantees that the said goods would continue to conform to the description and quality aforesaid for a period ofdays / months from the date of delivery of the said goods to Government and that notwithstanding the fact that the Government may have inspected and/or approved the said goods, if during the aforesaid period ofdays/month the said goods be discovered not to conform to the description and quality aforesaid or have deteriorated (and the decision of the Government in that behalf will be final and conclusive) the 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 replace the goods, etc., or such portion thereof as is rejected by the Government. Otherwise the contractor shall pay to the 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 Government in that behalf under this contract or otherwise.

2. Requests for enhancement of rates once accepted will not be considered except where Government have, prior to the actual supplies, expressly agreed in writing for any price variation under specified circumstances. Conditions of sale or other special terms and conditions, if any, printed on the quotation sheets of the Contractor or attached with the Contractor's tender or any other letter or paper from the Contractor will not govern this contract nor bind the Government in any manner whatsoever unless such terms have been expressly accepted by the Government in writing.
3. The approximate quantities to be supplied are shown in the copy of the supply order herewith attached, but it is agreed that they are only estimates of and not the actual quantities required by the Government. The Government however are not obliged to purchase the entire quantity mentioned in the order or even any portion of such quantity during the period of contract, in case no actual need arises therefore. The Contractor however agrees to supply the quantity required (even if it be in excess of the quantity estimated in the order but not exceeding the estimated quantity beyond per cent) of any article at the rate tendered by him for that article within the time fixed.
4. In the case of goods delivered by shipment, the Contractor, shall where, the expected tonnage of goods is more than 200 tons, deliver goods through the Trivandrum Port, if so required by Government.
5. The Contractor agrees that time is the essence of this contract.

6. (a) If the contractor defaults in the due supply of all or any of the articles correctly and promptly as above the Government are at liberty to procure the same from elsewhere without cancelling the contract as a whole. If Government incur, in thus procuring such materials, a higher cost than the agreed rate such excess cost may be deducted by the 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 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.

7. (a) All payments to the Contractor for supplies effected satisfactory will be made after scrutiny of his bills-

(i) either by departmental cheques payable at the Government Treasuries'

(ii) or by cheques or drafts of the Reserve Bank of India, State Bank of India and State Bank of Travancore (at any of their principal branches in India);

(iii) or in the case of supplies from abroad by drafts or otherwise as may be agreed to.

(b) The firms will produce stamped pre-receipted invoices in all cases where payments (advance/final) for release of railway receipts/shipping documents

are made through Banks. In exceptional cases where the stamped receipts of the firms are not received for the payments (in advance) the unstamped receipt of the bank (i.e. counterfoils of pay-in-slips issued by the Bank) alone may be accepted as a valid proof for the payment made.

8. All incidental expenses incurred by the Government for making payments outside the District which the claim arises shall be borne by the contractor.
9. 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 Government. The 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 sublet is given by Government.
10. NOTWITHSTANDING the provisions contained in clause 5, the Government shall have the right to cancel the contract for any default on the part of the contractor in due performance thereof.
11. It shall be lawful for the Government from and out of any money for the time being payable or due to the Contractor from the Government under this contract or otherwise to set off any loss or expense, cost or damages sustained or incurred by the Government by reason of the cancellation of the contract.
12. 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 are guarantee for the goods supplied the security deposit will be released only after the expiry of the guarantee period.

13. 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.
14. 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 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 Government/Purchasing Officer in that behalf and to ensure the proper functioning of the machinery till the guarantee period is over. In the event of the failure of the contractor to erect the machinery within the time and at the place specified by the Government/Purchasing Officer or in the event of the machinery failing to function properly during the guarantee period, the amount spent by the Government and the loss sustained by the Government on this account by making alternative arrangements shall be recoverable from the contractor in the manner provided in clause 15 hereunder.
15. The Contractor agrees that all sums found due to the 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 Government may deem fit. In deciding what sum of money is due to Government under or by virtue of this deed, the contractor agrees that the decision of the 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 Government shall be adjusted against any sum of money due to Government from him under any other contracts.

In witness whereof the Contractor and Sri (H.E. name and designation) for and on behalf of the Governor of Kerala have hereunto set their hands.

Signed, sealed and delivered by

(Contractor)

In the presence of witnesses

(1)

(2)

Signed, sealed and delivered by(H.E. name and designation) for and on behalf of the Governor of Kerala.

In the presence of witnesses

(1)

(2)

(43) Form No.13 of KFC Vol II (FORM OF ANNUAL INDENT FOR STORES) will be substituted as follows:

KFC FORM 13

(see Chapter VI, Article 122)

Government of Kerala

General Details

| | |
|--|--|
| Department | |
| Indent No: | |
| Date: | |
| Reference, if any: | |
| Has the required funds been provided for in the budget for the year? | |
| If funds not budgeted, give details of sanction for expenditure for the purchase | |

Purchase Details

| Sl. No. | Particulars | Details |
|---------|--|---------|
| 1 | Sanction order details | |
| 2 | Address to which stores indented are to be consigned (nearest Railway Station should be mentioned) | |
| 3 | Name & designation of officer who will inspect the consignment | |
| 4 | Any other special instruction | |

I hereby certify that the purchase of the Stores included in this indent is within my administrative powers/has been sanctioned by competent authority vide the sanction order noted in the remarks column of the indent.

Station:

Date:

Note: Annexure 8 has been modified.

Signature and
Designation of Indenting Officer

REVERSE OF K.F.C. FORM 13

| Sl. No. | Articles with full description and accurate specification, etc. | Stock on hand after verification | Purchase of the year including goods on order | Quantity required for the year | Rate at which last purchased or estimated cost if fresh purchase (which should be specified) | | | Name of last supplier | Purpose for which articles are required to guide supply | Place at which delivery is sought | Classification number | Remarks |
|---------|---|----------------------------------|---|--------------------------------|--|--------|-----|-----------------------|---|-----------------------------------|-----------------------|---------|
| | | | | | Unit | Amount | | | | | | |
| | | | | | | Rs. | Ps. | | | | | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | | 8 | 9 | 10 | 11 | 12 |
| | | | | | | | | | | | | |

By Order of the Governor

To

The Principal Accountant General (A&E), Kerala, Thiruvananthapuram.

The Principal Accountant General (G&SSA), Kerala, Thiruvananthapuram.

The Accountant General (E&RSA), Kerala, Thiruvananthapuram.

The Store Purchase Department (U.O.Note No.2348/A2/2013/SPD dated 07.09.2013)

All Heads of Departments and Offices.

All Departments and Sections of the Secretariat.

The Secretary, Kerala Legislature Secretariat (with C.L.)

The Director of Treasuries, Thiruvananthapuram.

The Secretary, K.P.S.C., Thiruvananthapuram (with C.L.)

The General Manager, K.S.R.T.C, Thiruvananthapuram.

The Registrar, High Court of Kerala, Ernakulam (with C.L.)
The Registrar, University of Kerala, Kochi/Calicut/Mahatma Gandhi/
Kannur (with C.L.)
The Registrar, Fisheries University (with C.L.)
The Registrar, Kerala Veterinary and Animal Sciences University (with C.L.)
The Registrar, Kerala University of Health & Allied Sciences (with C.L.)
The Registrar, National University of Advanced Legal Studies (with C.L.)
The Registrar, Central University of Kerala (with C.L.)
The Registrar, Thunchath Ezhuthachan Malayalam University (with C.L.)
The Registrar, Kerala Lok Ayukta, Thiruvananthapuram.
The Registrar, Kerala Agricultural University, Mannuthi
The Registrar, Sree Sankara Sanskrit University, Kalady (with C.L.)
The Secretary, K.S.E.B, Thiruvananthapuram (with C.L.)
All Principal Secretaries/Secretaries/Special Secretaries/Additional
Secretaries/Joint Secretaries/Deputy Secretaries/Under Secretaries to
Government
The Secretary to Governor, Raj Bhavan.
The Private Secretary to Speaker/Deputy Speaker of the Legislative
Assembly.
The Additional Secretary to the Chief Secretary.
The Secretary, Human Rights Commission, Thiruvananthapuram.
The Private Secretaries to the Chief Minister and other Ministers.
The Private Secretary to the Leader of Opposition.
The State Election Commissioner, Kerala, Thiruvananthapuram.
The State Chief Information Commissioner (with C.L.)
The Nodal Officer, www.finance.kerala.gov.in.
Web & New Media, Public Relations Department
The Stock File/Office Copy.

Forwarded/By Order

Section Officer

