

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Panchayati Raj & Rural Development Department - Reforms in Panchayati Raj
Engineering Department - Revision and streamlining of Tender Procedure - Orders -
Issued.

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PANCHAYATI RAJ & RURAL DEVELOPMENT (PROGS-II) DEPARTMENT

G.O.Ms.No. 195

Dated:10.5.1999

Read the following:-

1. G.O.Ms.No.589, PR & RD (Mandals-I) Dept, dt.29-9-89
2. G.O.Ms.No.177 to 182, I & CAD (PW:COD) Department, dt.27-9-97
3. G.O.Ms.No. 477, PR & RD (Progs-II) Dept, dt.12-11-98
4. G.O.Ms.No.94, PR & RD (Estt-III) Dept, dt.8-3-99
5. G.O.Ms.No.95, PR & RD (Estt-III) Dept, dt.8-3-99
6. G.O.Ms.No. 23, I & CAD (PW.COD) Dept, dt.5-3-99
7. From the Engineer-in-Chief (PR) Letter No.T1/10744/95, dated 6.4.99

ORDER:

Government have from time to time initiated several reforms in tendering for public works with a view to bring in simplification of procedures, greater transparency and to ensure better quality of works.

2. Government issued orders in the G.O 2nd read above introducing comprehensive reforms streamlining and standardising the procedures for calling tenders and award of contracts.

3. Government issued orders in the G.O. 3rd read above, ordering further tender reforms with a view to curb collusion and unfair practices adopted by the Contractors in the tendering process.

4. After issuance of the aforesaid orders, complaints were received by the Government that the Contractors were still indulging in unfair practices and colluding in filing the tenders. Government, therefore, with a view to take stringent action in such cases, convened a workshop on 10-11-1998 with the representatives of Builders Association, Contractors and Government Officials to elicit their views on further reforms required to be introduced. The Committee constituted with the representatives of the Builders Association and Government Officials, after thorough examination of the consensus emerged in the workshop has made certain recommendations to Government.

5 Government after careful consideration of the recommendations of the Cabinet Sub-Committee and in partial modification of the orders issued in G.O.Ms.No.477, PR & RD Department, dt.12-11-98, issue the following orders in respect of Tender procedures and other allied matters relating to Panchayati Raj and Rural Development Department to ensure free and fair competition in award of Works and to bring in greater transparency in tender procedure.

- i. Individual PWS Schemes in a Mandal or Assembly Constituency shall be packaged into viable financial units of say Rs.100.00 lakhs and above. The packages shall be tendered and entrusted to experienced Registered contractors on turn key system, i.e. construction, testing, commissioning and maintenance of the scheme for 2 years and all materials like Steel, Cement, Pipes, Pumps, Specials and Motors etc. required for the work shall be procured by the contractors only and department shall not procure any material. Payment shall be made on the basis of finished work.
- ii. a) The maximum ceiling of excess tender percentage shall be 15% instead of 20% allowed earlier. The lower limit and the conditions therefor will be continued. No negotiations will be conducted with the tenderers. Tenders received with more than 15% excess shall be summarily rejected.
- iii. In order to maintain anonymity, tender schedules shall be supplied on payment of a cost to any contractor interested in tendering. The present practice of collecting EMD at the time of sale of Tender Schedules shall be dispensed with. Hereafter, the Contractors shall pay the EMD at the time of filing their tender documents only. The EMD shall be at the rate of 1% of estimated contract value and it shall be paid in full, without concession, either in the shape of a Bank Demand Draft or unconditional Bank Guarantee.
- iv. For the works costing upto Rs.10.00 lakhs. The eligibility criteria i.e., financial and physical shall not be made applicable for these works.
- v. The Contractors will no longer be required from now onwards to produce clearance certificate from the Mines Department and Seigniorage charges will be deducted by the concerned works Department from the bills of the Contractors for the materials used on the works.

vi. The Contractors will be allowed the facility of deduction of sales tax at the rate of 2% at source and be exempted from producing the clearance certificate from Commercial Tax Department.

vii. Expert Committees at different levels shall be constituted by Heads of Departments to resolve the disputes of the Contractors in so far as technical issues are concerned.

viii. To resolve the problems of the Contractors vis-à-vis the Government, an institutional mechanism will be created at the district level with the Collector as the Chairman and at the State level the Chief Secretary as Chairman to review periodically and to redress the difficulties of the Contractors.

ix. To enforce proper quality control standards in execution of works, the performance of the Contractors and the Engineers incharge of the work shall be graded by associating professional bodies and suitable incentive/ punitive system will be implemented on the basis of such grading and stren action will be taken for defective works against both the Engineers as well as Contractors.

x. Quality control shall hereafter be the primary responsibility of the Engineers executing the works.

xi. As a measure to encourage good contractors, the procedure of registration shall be rationalised and made more scientific by introducing a grading system, which will take into account the technical qualifications of the contractors, their standing in the civil contract fields, past track record of execution of works, ownership of plant and machinery, financial status and training, and memberships in professional bodies. The contractors with history of litigation will be suitably down graded/ black listed or debarred.

xii. Minor Irrigation works shall be entrusted to Ayacutdar committees as per guidelines issued in G.O.Rt.No.1863, PR & RD (Prog-I) Department, Dated 23-11-98.

6. In order to avoid ambiguity in implementing the order, detailed guidelines are formulated in Annexures I and II to this order.

7 The above orders shall come into force with immediate effect. However these orders shall be made applicable only for the tenders invited after issuance of the G.O.

8 The Engineer-in-Chief, PR Department shall furnish necessary proposals for making suitable amendments to the G.O. 1st cited.

9 This order issues with the concurrence of Fin & Plg(FW.EBS.XV) Dept vide their U.O.No 17789/223/EBS.XV/A1/99, dated 23.4.1999.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

P.RAMAKANTH REDDY

PRINCIPAL SECRETARY TO GOVERNMENT(RD)

To

The Engineer-in-Chief, Panchayati Raj, Hyderabad
All Chief Engineers, Panchayati Raj Engineering Department
The Commissioner, Panchayati Raj, Rural Development
All Chief Executive Officers of all Zilla Parishads

Copy to :

All Superintending Engineers PR and RWS in the State
The Accountant General, Andhra Pradesh, Hyderabad
Finance & Planning (Fin EBS XV) Department
I & CAD Department

TR&B Department

PR & RD (RWS II/Mandal I) Dept.

P.S. to Minister (PR & RD)

P.S. to Principal Secretary to Government, PR & RD

P.S. to Principal Secretary to Government, (RD), (PR & RD)

S.F.

//Forwarded by Order//

Sd/
Section Officer

Government of Andhra Pradesh

Panchayat Raj Department

Office of the Engineer-in-Chief (PR) Hyderabad

Endt.No.T1/29042/96, Dated:14-05-1999

"Communicated in continuation of this office circular memo No.T1/29042/96, dt.30-3-99 with a request to follow the Government order scrupulously and communicate this G.O. upto level of Dy.E.E.s under their jurisdiction

Sd/-Dr.M.Venkateswarlu
Engineer-in-Chief (PR) Hyd

To

The Superintending Engineers, PR, RWS and RWS Projects in the State

The Executive Engineers, PR, RWS and RWS Projects in the State

Copy to all Chief Engineers, PR of this office

Copy to Executive Engineer, QC, NABARD, Hyderabad, Vijayawada, Visakhapatnam, Warangal and Cuddapah

Copy to Executive Engineer, Vig & QC, Hyderabad

Copy to all Unit Officers of this office

Copy to all Deputy Executive Engineers of this office

Copy to stock file/Spare

//f.b.o//

Deputy Executive Engineer

14/5/99

ANNEXURE-I

G.O.Ms No.195 PR & RD (Progs-II)Dept, dated 10.5.99

1.0 Preparation of Realistic Estimates

1.01 Standard Data

- a) The standard data which forms basis for preparation of estimates for all Civil Engineering Works shall be updated taking the improved construction technology in to consideration.
- b) The Chairman, Board of Chief Engineers and Engineer-in-Chief (Admn) I & CAD Department shall complete the updation of standard data with in a period of six months

1.02 Finalisation of standard schedule of rates (SSR)

- a) The SSRs shall be finalised before June without exception every year. The preparation of SSR shall be made more transparent by associating the representatives of Construction Industry, National Academy of Construction and the Institution of Engineers (India) A.P. State Centre, at the time of finalisation. For cities like Hyderabad and Visakhapatnam, Unit rates will be prepared for various component items.

1.03 Provisions to be made in estimates

In order to prepare realistic estimates, the following provisions are permitted to be added in the estimate.

- a) Turnover tax at the rate of 1 percent for items relating to canal digging lining, repairing road works etc., where the earth work excavation and embankment is involved and for works other than the above, turnover tax at 3 percent shall be added in the data.
- b) A lumpsum provision shall be made in the abstract estimate towards Insurance considering the agreement period and defect liability period of two years for the original works and one year for maintenance

works, by obtaining details of Insurance premium from Insurance Organisations.

- c) A lumpsum provisions shall be made in abstract estimates to meet the expenditure to be incurred by the Contractor on engaging Technical Personnel based on number of persons indicated in the tender document and permissible wages as per SSRs.
 - d) A lumpsum provisions shall be made in the abstract estimate towards Banker's Charges for obtaining Bank guarantees for payment of E.M.D. performance security and release of retention amount as per prevailing procedure based on the period i.e. period of completion plus defect liability period. The Chief Engineer concerned shall assess duly obtaining the details thereof from the Scheduled Banks and suitable provision shall be made.
 - e) A provision at 1 percent of the cost of Cement towards construction of temporary store shed shall be added on the data of relevant items.
- 1.04 At the time of preparation of estimates, proper care should be taken to provide the lumpsum provisions for the aforesaid items and necessary conditions also should be incorporated in the tender document for suitable reimbursement to the contractors from out of the above provisions, however not exceeding the amounts indicated against each, on production of the Insurance policies, copies of appointment orders with payments vouchers, Bank Guarantee etc. Failing to comply with the above, reimbursement shall not be allowed but suitable penalty shall be imposed for not engaging technical personnel and the Agreement authority shall take Insurance policy at the cost of contractor duly deducting the premium from the contractor's bills. Contractor has to take policy in favour of the employer i.e. department.
- 1.05 For earthwork excavation and embankment upto 10000 Cum. The manual rate shall be provided and if the quantity exceeds 10000 Cum, the machinery rates shall be adopted. However, the contractor will be given an option either for manual or machine operations. For earthwork, quantity upto 10000 Cum, if the contractor executes work with machine operations, the machinery rates

will be allowed. Irrespective of the quantities, the following items of works shall be taken up manually.

- i) Stripping where the depth is inadequate for handling with machinery
- ii) Excavation of sub-minors and field channels, narrow reaches, and formation of Sub-grade base for receiving lining of canals, excavation of rock toe, toe drains, filter drains and building foundations and pipe line trenches.

2.0 Sanction of Estimates

2.01 Administrative Approval

Administrative approval to the estimates for works costing above Rs. 50.00 lakhs or any bridge works or causeway and PWS schemes irrespective of cost shall be given after fulfillment of following items.

- i) Detailed investigation
- ii) Preparation of detailed designs/ drawings

2.02 Technical sanction

The orders issued in G.O.Ms.No.94, PR & RD (Estt-III) Dept, dt.8-3-99, as indicated below shall be applicable for according Technical Sanction to estimates.

AE/AEE	Upto Rs. 25,000/-
Dy.E.E.	Upto Rs.2,00,000/-
EE	Above Rs.2.00 lakhs to Rs.10.00 lakhs
SE	Above Rs. 10.00 lakhs to Rs.50.00 lakhs
CE	Above Rs. 50.00 lakhs

The technical sanction shall be limited to the amount of administrative sanction/approval.

3.00 Preparation of tender documents and finalisation of tenders

3.01 Tender documents

3.01.1 Tender Notice

The Tender notice or Notice inviting Tenders (NIT) will be approved by the Engineers for the works for which they are competent to accord technical sanction

The Tender documents will be prepared by the concerned Engineers, bringing greater transparency. The provisions made in the estimate for items which are reimbursable to the Contractors with conditions therefor and other relevant conditions relating to the implementation of contract and other eligibility criteria on both physical and financial requirements in addition to the conditions not withstanding any thing contained in the APSS, APWD code and government orders the following will be incorporated wherever necessary.

3.01.2 Defect liability period

The defect liability period is increased to two years for the original works and one year for maintenance works, duly taking into account normal wear and tear.

3.01.3 Liquidated damages

The liquidated damages may be imposed on the Contractors as per the present practice basing on the milestones.

3.01.4 Seigniorage charges & sales tax

The seigniorage charges will be recovered from Contractor's bills as per the rates prescribed in the contract documents for the materials used on the work only. The present practice of insisting for production of documentary evidence for having paid the seigniorage charges in items of G.O.Ms.No.243, dt.8-5-86 and in the absence of such production of the evidence, the imposition of five times penalty is dispensed with.

For sales tax/ tax on works contract, contractors are given an option to opt for the composing schemes under Section 5(g) of the APGST Act and those opting for it are subject to a tax deduction of 2% at source on the total value of the contract irrespective of nature of work. In such case, the departments will not insist on production of clearance certificate and no assessment of tax will be needed. In case of contracts not opted for 2% tax deduction, Tax on works contract (Turn over tax) shall be recovered at the rates indicated in clause 1.03 (a) above.

3.01.5 Payment of bills

The contractors will be permitted to submit their work bills once in a month and payment will be made after proper check of quantity and quality with in a reasonable time limit.

3.01.6 Quality Control Measures

Emphasis on the quality will be paramount. The concerned Departments are directed to strengthen the quality control machinery of the Government by keeping a separate Chief Engineer for Quality control under the direct control of Government. The Chief Engineer, quality control should see that quality audit is done periodically and also evolve suitable punitive action against contractors as well as Engineers in charge of the work who violate proper quality standards.

3.01.7 Construction materials

The present practice that the contractor has to procure at his own cost the principal construction materials like cement, steel, bituman, sand, metal and soils etc. shall continue

The present practice of procuring pipes, specials, valves, pumps and Motors departmentally for execution of PWS Schemes is dispensed with. The contractors them selves have to procure these materials with ISI mark where ever prescribed and will be responsible for supply, delivery, testing and commissioning of the scheme on turn key system and maintenance of the scheme for a period of (2) years. For all the materials, pre-delivery quality

control inspection shall be done by Quality Control Wing of Panchayati Raj Department or Third party inspection as directed by the Engineer-in-Chief, Panchayat Raj. The inspection charges if done by third party, shall be borne by the Contractor.

However, the payments shall be made based on finished work.

3.01.8 Earnest money deposit

In order to maintain the anonymity, Tender Schedules will be supplied on payment of cost to any contractor of eligible class interested in bidding, without insisting for EMD. This is introduced to enable prevention/ reduction of extraneous forces interfering or pressurising the contractors to quote or under quote or not to quote at all in the tenders. Hence the practice of collecting EMD in the shape of demand draft at the rate of 1.50 percent subject to a maximum of Rs.1.00 lakh or Rs.75,000/- from the contractors who have lumpsum deposit with the concerned Chief Engineers is dispensed with and in lieu thereof, Bank Quarantee or DD obtained in favour of the officer as specified in the tender, at the rate of 1% of the Estimate contract value will be collected without any concession. The balance EMD of 1.50 % will be collected while concluding the agreement and the Bank Guarantee shall be unconditional and irrevocable as per the standard format enclosed to the tender document. The contractors who have L.S. Deposit with concerned Chief Engineer will be permitted to take back their deposits, subject to conditions that they are free from all liabilities.

3.01.9 Applicability of qualification criteria & EMD etc.,

The qualification criteria at para 3.02 as well as modified procedure of collecting EMD in the shape of Bank Guarantee will not be made applicable for the works costing Rs.10 lakhs and below. For these works costing Rs.10.00 lakhs and below single cover system shall be followed and the EMD shall be submitted along with the completed Tender Schedule.

3.01.10 Subletting

The subletting of the works is strictly prohibited un-officially. In the event it is found that any portion of the work is sublet, action will be taken against the contractor by debarring him from participating in the tenders for the period as decided by the Engineer-in-Chief/ Chief Engineer concerned. However, the debarring period shall not be less than one year.

3.02 Qualification criteria

A To qualify for award of the Contract, each bidder, in his/her name should have, during the last five years (specified financial years i.e. they should be immediately preceding the financial year in which tenders are invited)

a) Satisfactorily completed not less than 90 percent of contract value as a prime contractor and similar works of value not less than Rs. @ (usually not less than 50% of estimated value of contract) in any one year, during the last 5 years.

b) Should have executed in any one year, the following minimum quantities of works

⇒ Cement concrete including RCC and PSC Cu. M

⇒ Earth work in both excavation and embankment Cu. M

⇒ OHSRs Nos and total capacity in liters

⇒ Pipeline laying, jointing & testing Km

⇒ Filters Units Lts

a) Rapid Sand Filters

b) Slow Sand Filters

⇒ Supply erection and testing of power pumps K.W

⇒ (Relevant principle items be indicated)

⇒ (Usually 50 percent of the expected peak quantities of construction per year)

B. Each bidder should further demonstrate

- a) Availability either owned or leased of the following key and critical equipment for this work

- ⇒ Road Rollers (8 to 10 T)
- ⇒ Water Tankers
- ⇒ Proclainers
- ⇒ Concrete Mixtures
- ⇒ Vibrators
- ⇒ Pipe Line hydraulic testing equipment
- ⇒ Equipment for BT work with cold mix
- ⇒ Equipment for BT work with hot mix

Note: (Based on the studies carried out by the Engineer, the minimum suggested major equipment to obtain the completion of works in accordance with the prescribed construction schedule/ mile stones are shown in the above list)

- b) Availability of the Key personnel with adequate experience as required should be indicated based on the requirement for the work to be executed.
- c) Liquid assets/ credit facilities of not less than Rs. lakhs
(credit lines/ letter of credit/ solvency certificate from Banks etc. shall be equivalent of the estimated cash flow for three months in peak construction period).
- d) EMD in the shape of Bank Guarantee in the standard format enclosed, for Rs. _____ (one percent of the estimated contract value) to be valid for the period as indicated at para 1.03 (d) i.e. period of completion plus defect liability period.
- e) Experience relating to the works executed in State/ Central Government departments or State/ Central Government undertakings shall only be considered.

3.02.3 Bid capacity

The sub contractors/GPA holders experience shall not be taken into account in determining the bidders compliances with the qualifying criteria. The tenderers who meet the requirement qualification criteria will be qualified only if their available bid capacity is more than the estimated contract value. The available bid capacity will be calculated as under:

Assessed available bid capacity: $2AN - B$

Where

A= Maximum value of civil engineering works executed in any one year during the last five years (updated _____ price level) taking into account the completed as well as works in progress.

N= Number of years prescribed for completion of the works for which tenders are invited. If months are specified, they shall be converted into years.

B= Value of existing commitments and ongoing works to be completed during the period of completion of works for which tenders are invited.

Note:- The statement showing the value of existing commitments and ongoing works as well the stipulated period of completion remaining for each of the works listed should be issued by the Engineer-in-Charge of Government department/ undertaking not below the rank of Executive Engineer or equivalent and countersigned by Superintending Engineer or equivalent. The statement to the above effect shall be clearly enclosed to the Bidding Document, and the tenderer shall furnish the particulars invariably in the same format failing which the tender shall be treated as incomplete and summarily rejected.

@= at _____ * price level. Financial turnover and cost of completed works of previous years shall be given weightage of 10% per year to bring them to Price level*.

* The financial year in which bids are invited.

3.02.4 Even though the tenderer meets the above qualification criteria, he/she is subject to be disqualified if he/she is found to have misled or made false representation in the forms, statements submitted in proof of the qualification requirements or record of poor performance such as abandoning works not properly completed in the contract, inordinate delays in completions, litigation history and or financial failures and or participated in the previous tendering for the same works and had quoted unreasonably high bid prices. In addition to the above, even while execution of the work, if found that the contractor had produced false/ fake certificates of experience, he/she will be blacklisted and work will be taken over invoking clause 60(a) of PS to APSS.

3.02.5 Tenders shall be valid for a period of 1/2/3 months as the case may be. Before the expiry of the validity, the authority competent to call for tenders shall seek for further extension of validity from the contractors and in case the validity is not extended his/her tender will not be considered and the EMD shall be returned. During the period of validity, if any tenderer withdraws his tender, his/her EMD shall be forfeited.

4.0 Evaluation of Tenders

4.01 Receipt of Tenders

The Tender schedules shall be issued upto one day prior to the last day of submission of Tenders. The tenders shall be received at the place and time as specified in the Tender Notice. The contractor shall be allowed to submit the tender either personally or through his agent or by post. In case of submission of tender by post the risk and responsibility for either loss or delays in transit of the same is to be borne by the contractor. The tender opening authority will not consider any tender received by him after the expiry of date and time fixed for receipt of tenders.

4.01.1 Tenders will be received in two parts in 2 different sealed covers. Cover-A and Cover-B. The Cover-A shall contain qualification data Viz., Annual Turnover and value of works under execution etc., as at para 3.02. The Cover-B will contain the financial bid for the work in question. The Cover-A and Cover-B will be sealed and kept in another sealed envelopes (cover-C) supplied by the department while issuing Tender Schedules.

4.01.2 The Executive Engineers and Superintending Engineers delegated with the power to invite tenders will open and evaluate the tenders as per the qualification criteria. While opening the tenders care should be taken to first open Cover-C in the presence of the tenderers or their authorised representatives and other officials concerned on the specified date and time and also to verify whether the Cover-A and Cover-B are properly sealed and minutes be recorded to this effect then and there only. In case the Covers A&B or any one of them are found/ unsealed, such tenders will not be opened and summarily rejected.

4.01.3 First Cover (Cover-A) superscribed as "TECHNICAL BID" containing the qualification data as described at para 3.02 will be opened.

4.01.4 Second Cover (Cover-B), superscribed as 'PRICE BID' shall contain the Schedule-A i.e., the statement of description of work, quantity, estimate rate and amount. Price bid (cover-B) of those tenderers who are determined as qualified as per eligibility criteria will be opened on the date specified in the tender notice and the Cover-B of un-qualified tenderers will not be opened and kept in the safe custody till the tenders are finalised and there after shall be returned to them along with E.M.D. The Schedule-A of price bid shall contain the working items indicated as part-I which are to be executed and L.S.Provisions as Part-II. The premium or discount quoted by the contractor shall be applicable only for part-I. However, the provisions contained in part-II will be operable basing on the conditions provided in the tender schedules. The tenderers will have to state clearly their willingness to execute the work at percentage excess or less or at par over the Estimate Contract Value indicated at Part-I at the space provided therein.

4.01.5 Before recommending/ accepting the tender, the tender accepting authority shall verify the correctness of certificates submitted to meet the eligibility criteria and specifically for experience, the authenticated agreements or previous works executed by the lowest tenderer, shall be called for. The EMD will be returned to the qualified but unsuccessful tenderer either after finalisation of tenders or on expiry of validity of tenders which ever is earlier.

4.02 Finalisation of Tenders

4.02.1 Tenders will be finalised by the departmental officers as indicated below:

S.No	Est.Value of work put to tender (Rs.in lakhs)	Designation	Powers of Acceptance of tenders
1	Upto Rs. 2.00	Dy.Executive Engineer	Below or at Estimate rates
		Executive Engineer	Upto 5% excess over Estimate rates
		Superintending Engineer	Above 5% upto 10% excess over Estimate rates
		ChiefEngineer/ Engineer-in-Chief	Above 10% upto 15% excess over estimate rates
2	Above Rs. 2.00 to Rs. 10.00 lakhs	Executive Engineer	Upto 5% excess over estimate rates
		Superintending Engineer	Above 5% upto 10% excess over estimate rates
		ChiefEngineer/ Engineer-in-Chief	Above 10% upto 15% excess over estimate rates
3	Above Rs.10.00 to Rs.50.00 lakhs	Superintending Engineer	Upto 10% excess over estimate rates
		ChiefEngineer/ Engineer-in-Chief	Above 10% upto 15% excess over estimate rates
4	Above Rs.50.00 to Rs. 100.00 lakhs	ChiefEngineer/ Engineer-in-Chief	Upto 15% excess over estimate rates
5	Above Rs. 100.00 lakhs	Tender Committee	Upto 15% excess over estimate rates

Note: In case of Mandal Parishad and Gram Panchayat Works the Mandal Parishad Development Officer and Gram Panchayats respectively are empowered to accept tenders on recommendation of the above Engineers.

The existing tender committee constituted in G.O.Ms.No.589,PR &RD Dept , dated 29.9.89 consisting of the following members shall continue for finalisation of tenders for works costing above Rs. 100.00 lakhs.

1. Engineer-in-Chief (PR)/ Chief Engineer (PR) concerned
2. Engineer-in-Chief (PH)
3. Principal Secretary to Government, Fin & Plg (Fin.Wing) or his nominee

4.02.2 The tenders for the works costing more than Rs.1.00 crore will be referred to tender committee along with technical bid evaluation and price bid evaluation for consideration. The tender committee shall scrutinise the tenders submitted by Engineer-in-Chief/ Chief Engineer in accordance with the conditions stipulated in the tender document and in case of any discrepancy or non-adherence to the conditions, the same shall be binding both on the tender deciding authority and the contractor. In case of any ambiguity the decision taken by the tender committee shall be final.

4.02.3 Negotiations are not permitted to be conducted at any level.

4.02.4 The time allowed from the date of publication of tender notices to the date of receipt of tenders is 14 days for the first call and 7 days for the second call. The tenders will be received for works costing above Rs.100.00 lakhs following three box system i.e. at SEs office, Office of the SP of the District where the SEs office located and one in the Office of the CE (concerned) or by post to the SE concerned.

4.02.5 Tender percentage

a) Maximum ceiling

The maximum permissible tender excess is reduced from the existing 20% to 15% over the estimated contract value in partial modification of G.O.Ms.No.477, PR & RD Department, dt.12-11-98 and in case the excess is more than 15% the tenders shall be summarily rejected. At the same time, the tenders received with the maximum permissible percentage excess are not necessarily to be accepted, they may be accepted basing on the trend of tenders accepted either in the project or in near vicinity for similar works. In case the trend of tender available relates to considerable time gap, the accepted premium of the tenders be updated with reference to the present price index and with justifiable reasons only the tenders shall be accepted.

b) Discount tenders (Percentage less than Estimated cost)

Tenders upto 15% less than the estimate may be accepted but for tenders which are less by more than 15% of the estimate, a bank guarantee or demand draft for the difference between the tendered amount and 85% of the estimate value should be taken at the time of Agreement so that if the tenderer leaves the works midway and the department is forced to call for tenders for the work once again, the bank guarantee or demand draft shall be used to finance the re-tendered work.

- 4.02.6 The tenders received, if found to have abnormally high percentage or within the permissible ceiling limits prescribed but under collusion or due to unethical practices adopted at the time of tendering process, shall be rejected.

5.0 Committees to resolve Inter-Departmental problems

In order to expedite execution of works and to remove any difficulty that contractors may face in obtaining clearances and other infrastructure facilities from various departments such as shifting of power lines, procurement of blasting materials, power supply connection etc. at the District level, the Collector will formulate Committees and take necessary steps. The Chief Secretary will have periodical review with the concerned Secretaries and Chief Engineers in order to resolve the difficulties which could not be sorted out at District Level. The Heads of the Departments are directed to constitute suitable committees at different levels for speedy settlement of the different kinds of or levels of disputes of technical nature by the Chief Engineers concerned.

ANNEXURE – II

**Annexure to G.O.Ms.No.195,PR & RD(Progs-II)Dept.
dated 10th May, 1999**

- 1 Government hereby order to introduce an improved system of periodic monitoring and evaluation of the performance and capabilities of contractors. The contractors who have already registered with the competent authorities for corresponding classes will continue to have the registration valid till the period indicated therein. However their class of registration is subject to evaluation of the performance as per the evaluation format appended, based on which they shall either be down graded or upgraded as per the credits obtained in the evaluation.
- 2 The evaluation will be done based on the following criteria:
 - i. Technical Qualification
 - ii. Standing in Civil contract field relating to the specialisation for which the contractor submits the particulars either for registration or renewal or upgradation.
 - iii. Records of execution of works.
 - iv. Plant and machinery available with the contractor.
 - v. Financial status.
 - vi. Training in National Academy of Construction (NAC)
 - vii. Membership of BAI or any other professional bodies.
 - viii. History of litigation.

The basis for the above criteria and procedure to furnish the details required therefore are discussed below

- 3 **BASIS FOR EVALUATION CRITERIA**
 - i. **TECHNICAL QUALIFICATONS:** Role of technical agents in execution of Civil engineering works is of quite significance more particularly in L.S. contracts. Keeping this in view this criterion is introduced and the credits are indicated for self-qualification of the contractor and qualification and experience of the employed Engineers by the contractors. In addition suitable credits are also assigned for the manpower possessed by the contractor who are trained in N.A.C.

- ii. **STANDING IN CIVIL CONTRACT FIELD:-** The experience of the contractor in the civil contract field is considered as one of the important criterion in as much as the experienced contractor will have greater exposure to the working environment, procedure of execution of public works and also have quality consciousness. Considering the above aspects the total length of experience as well as the experience in the present class of contract are assigned with suitable credits.
- iii. **RECORD OF EXECUTION OF WORKS: -** In addition to the experience in execution of Civil Engineering works a contractor may possess experience in certain specialised fields such as Irrigation works, R&B works, water supply and sanitary works etc. In case a contractor files an application for either registration or renewal or upgradation in a particular field of specialisation, his record of execution of works should be assessed. Therefore in this criterion, credits have been assigned for executing similar nature of works during the last 5 years from the year in which the files application so as to evaluate is upto date knowledge of the work culture since the last five years because the contractor's registration is valid for a period of 5 years. Similarly credits are also assigned for having completed the similar nature of works within the agreement period unless and other wise it is extended for the reasons beyond the control of the contractor. However if a contractor completes the works ahead of the agreement period additional weightage will be given by the suitable methodology indicated therein.
- iv. **PLANT AND MACHINERY:-** It is expedient that a contractor should possess necessary plant and machinery of his own that are required to execute the nature of work for which his performance is evaluated, in order to assess his capability of executing the works within the stipulated period. Hence suitable credits have been assigned to this criterion, however the required plant and machinery will be indicated for the different works by the concerned engineers who evaluate the performance.
- v. **FINANCIAL STATUS :-** Since the Government have been implementing the works in various public works Departments with huge outlays, it is necessary to assess the financial capability of a contractor to commence the work and continue the work at least for a minimum period of 3 months

without waiting for the bills to be paid by the concerned authorities. The criterion has therefore been given importance and suitable credits are assigned for different components viz., annual average turnover, availability of liquidated assets such as solvency/over draft facility and other credit lines etc.,

- vi. **CONTRACTORS TRAINED IN NAC:-** In case the contractor himself is trained in the National Academy of Construction it is expected that he will be able to possess better skill in execution of work as well as contract management, hence suitable credits are assigned to this criterion.
- vii. **MEMBERSHIP IN BAI AND ANY OTHER PROFESSIONAL BODIES:-** This criterion would reveal that the contractor's access to interact or to have interface with different professional experts for up-dating his technical skills. Keeping this in view suitable credits are assigned.
- viii. **HISTORY OF LITIGATION:-** This criterion is introduced to assess character and professional ethics of a contractor. Various items have been identified under this criterion which are assigned suitable credits for each of them. The sum total of credits under this criterion will be subtracted from the total credits achieved by a contractor for all the above seven criteria. It is imperative to mention that in case the concealment or misleading/false information is furnished, the contractor shall face very severe action such as blacklisting or debarring from the contracting field.

The contractor shall submit an affidavit to the effect that the history of litigation furnished by him is true and in case it is detected at any stage he will abide by the action taken by the Government without approaching to any Court whatsoever for redressal. Before taking action against the contractor the engineers will, after through probe and enquiry will give suitable opportunity to the contractor for offering his explanation and then initiate action against him.

4. PROCEDURE TO FURNISH THE PARTICULARS FOR EACH OF THE ABOVE EVALUATION CRITERIA

The contractors shall furnish the information for each of the criterion (form I to vii) mentioned above following the formats supplied to them by the concerned engineers who evaluate their performance, however the formats will broadly contain the particulars to be furnished as stated below:-

- i) with regard to qualification, the copies of certificate issued by the University /College/Polytechnic or any other competent authority shall be submitted.
- ii) The copies of registration right from the inception, to date shall be furnished.
- iii) With regard to execution of works during the last 5 years the contractor shall produce the copies of experience certificates issued by the competent authority not below the rank of Executive Engineer and countersigned by the Superintending Engineer or equivalent indicating description of work, date of agreement, agreement value/Revised agreement value date of commencement, agreed date of completion, actual date of completion, total value of work done, reasons for delay if any, the physical quantities executed during each financial year etc.
- iv) The copies of relevant document in proof of possessing the equipment shall be produced.
- v) The audited balance sheet, income tax returns for the past 5 years shall be submitted along with solvency, overdraft facility etc., in proof of the credit facility available to him.
- vi) The copies of certificate issued by the competent authority of NAC.
- vii) Copies of Membership of Builders Association or any professional body.

Note : The copies of all the certificates documents shall invariably be attested by a serving Executive Engineer of any works department of Govt. of Andhra Pradesh. For incorrectness of the copies of certificates /documents when compared with the Originals, action will be taken against EE who attested the copies and the Contractor.

EVALUATION PROCEDURE

1. **TECHNICAL QUALIFICATION :** 10
 - a) Contractor's Qualification
BE.....3
 - b) Employed Engineers
 - i) B.E with 4 years experience..... 2 each
 - ii) Diploma with 4 years experience 1.5 each
 - c) Trained Manpower from NAC
Maximum of 10 credits

2. **STANDING IN CIVIL CONTRACT FIELD** 15
 - a) Experience from the lowest class
upto the year of present class
Registration (for each year 1 credit)
Subject to a maximum of 5

 - b) Experience in the present class
from the year registration to the
present class to the year of
Evaluation (for each year 4 credits)

Subject to maximum of 15

3. **RECORD OF EXECUTION OF WORKS** 25
(during preceding five years)
 - a) Similar Nature of works
as prime contractor
for each Rs.2.00 cr. (2) credit
and additional Rs. 1 cr. in that year
will fetch (1) credit. Cumulative of all for 5 years

 - b) Works completed within agreement
period – each work of Rs. 1 cr. will be
be given (1) credit
maximum of 25 credits

4. **PLANT AND MACHINERY** 10
Requiring to the work of specialisation

5. **FINANCIAL STATUS** 25
Annual average – turn over during the preceding
five years
 - a) For each Rs. 1 crore 2
 - b) For every additional Rs. 1 crore 1

Subject to a maximum of 25 credits

- | | | |
|----|---|--------|
| 6. | CONTRACTOR TRAINED IN NAC (CDI) | 10 |
| 7. | MEMBER OF BAI AND OTHER PROFESSIONAL BODIES | 5 |
| 8. | HISTORY OF LITIGATION
during preceding five years | (-)-35 |
| | a) Arbitration /lost | 2 |
| | b) Court cases/stayed | 10 |
| | c) determened work | 10 |
| | d) Taken over under
CI 61 PS to APSS | 13 |

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PRINCIPAL SECRETARY TO GOVERNMENT (RD)