



GOVERNMENT OF KERALA

Abstract

Finance Department- Acceptance of tender excess-Guidelines for approval of tender by Competent authorities and submission of tender proposals to Government-Orders issued

FINANCE (INDUSTRIES & PUBLIC WORKS - B) DEPARTMENT
G.O.(P)No.133/2016/Fin Dated, Thiruvananthapuram, 01/09/2016.

Read:- 1. G.O.(P) No. 529/2014/Fin dated 05/12/2014.
2. G.O.(P) No. 375/2015/Fin dated 24.08.2015.

ORDER

Government vide reference cited has issued modified procedure in respect of approval of tender excess, issue of revised Administrative Sanction etc. The Chief Technical Examiner has reported that various agencies taking up public works do not follow a uniform procedure for acceptance of tenders. If it is also reported that difficulties are being experienced in scrutiny of tender proposals at Government level due to non submission of required documents along with tender acceptance proposals.

2) In order to ensure the transparency in the tender process, compliance of relevant Government rules and reasonableness of contract rates, following guidelines are issued for submitting the proposals for acceptance of tender excess.

2 (a) Documents to be submitted along with proposals for acceptance of tender excess.

i) Detailed note specifying the SoR adopted in the estimate, mode of tendering, number of bids received, etc.

- ii) Proforma accompanying the tender proposal with details of Administrative Sanction and Technical Sanction issued, estimated PAC, details of bidder and their quoted rates, details of publicity given for the NIT, reasonableness of quoted rate with respect to LMR, etc.
- iii) copies of news paper publicity given for the Tender Notice
- Pre-qualifications of the bidders, if any.
 - LMR estimate (LMR justification) prepared using PRICE Software.
 - Estimate based on current DSR with latest Cost Index prepared using PRICE Software.
 - For item rate contracts, Tabulation Statement showing items wise comparison of estimate rate with local market rate and quoted rate and highlighting the high quoted items (quoted rates more than LMR)
- iv. For PSUs/other agencies where PRICE software has not been implemented the LMR and DSR estimates shall be prepared in conformity with PRICE data.

2(b) Guidelines for the preparation of LMR justifications:-

- In all cases, LMR justifications shall be submitted to Government along with tender acceptance proposals, irrespective of quoted rate of the bidder (ie. Whether quoted rate is below/at par/above estimate rate).
- LMR justification shall be prepared using PRICE software only. LMR analysis shall be done using the data of Technical Sanction estimate and basic LMR published by the Executive Engineer (Buildings), PWD where the work is located. Since the basic

LMR of materials are inclusive of conveyance charges, no additional conveyance charges be included in the analysis.

- When there are wide variations [$\pm 10\%$] between the estimate amount based on LMR and the estimate amount based on current SoR, the Chief Engineer/Technical Head shall furnish a certificate to the effect that “LMR justification is personally verified and the LMR analysis is done strictly as per the guidelines issued by Finance Department”
- The basic LMR adopted for working out LMR justification should be the one prevailing rates as on the date of opening of tenders.
- In exceptional cases, if any, other additional justification required due to any specific site conditions, same shall be substantiated and approved with reasons thereof by the Technical Sanction authority.
- The correctness of LMR analysis for all cases referred to Government will be the responsibility of Chief Engineer/Technical Head concerned even if Technical Sanction has been issued by a different authority.
- The Chief Engineer, PWD (Buildings) shall ensure that all Executive Engineers (Buildings) shall follow a consistent approach in preparation of LMR basic rates and publish it in the official website of PWD quarterly.
- The basic LMR published by PWD have to be adopted for preparation of LMR justification for all public works by all Departments/PSUs/Accredited agencies/ other agencies etc. No different basic rates of LMR other than that published by PWD shall be entertained by Government under any circumstances.

2. (c) Admissible tender excess:-

All agencies taking up public works shall ensure that the tender of the lowest bidder shall be accepted after following the criteria for assessing the reasonableness of rates and approval of tender by the competent departmental authorities. The acceptable rate shall be limited to the least among the following:-

- Quoted rate of the lowest bidder
- PWD local market rates.
- Current DSR with latest cost index +10% tolerance limit.

3. Henceforth all proposals relating to tender excess requiring approval of Government shall be submitted strictly in accordance with the above guidelines. Administrative Departments shall ensure that the proposal not in conformity with the above guidelines are not entertained.

**By Order of the Governor,
DR.K.M. ABRAHAM IAS
ADDITIONAL CHIEF SECRETARY (Finance).**

To

The Accountant General (A&E) Kerala, Thiruvananthapuram
The Accountant General (G&SSA) Kerala, Thiruvananthapuram
The Accountant General (E&RSA) Kerala, Thiruvananthapuram
All Heads of Departments/Offices
Private Secretary to Chief Minister
All Private Secretaries to Ministers
Private Secretary to the Leader of Opposition
All Secretaries to Government
The Secretary, Kerala Public Service Commission,
Thiruvananthapuram
The Registrar, University of Kerala/Cochin/Kozhikode/Kottayam
The Registrar, High Court of Kerala
The Secretary, Kerala Human Rights Commission,
Thiruvananthapuram

The Managing Director, Kerala State Transport Corporation,
Thiruvananthapuram

The Secretary, Kerala State Electricity Board,
Thiruvananthapuram

The Secretary to Governor

All Secretariat Departments.

~~The Nodal Officer, www.finance.kerala.gov.in~~

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Section Officer