

From No. 14/26/2023-6FA  
The Additional Chief Secretary to Government of Haryana,  
Finance Department

To

1. All the Administrative Secretaries to Government Haryana.
2. All the Heads of Departments, Statutory Bodies, Boards and Corporations.
3. The Registrar General, Punjab & Haryana High Court, Chandigarh.
4. All the Commissioners of Divisions, Ambala, Karnal, Faridabad, Gurugram, Hisar and Rohtak.
5. All the Deputy Commissioners and Sub Divisional Officers (Civil) in Haryana.
6. All the Chief Principal Secretary, Principal Secretary and Additional Principal Secretary/Officers on Special Duty/Senior Secretaries/Secretaries/ Private Secretaries for the information of Hon'ble Chief Minister, Deputy Chief Minister and Ministers of Haryana State.

Dated: 10.05.2023

**Subject:-** Negotiation policy of the State for procurement of Works by Contract.

Sir,

I am directed to invite your kind attention to the subject noted above and inform that the State Government in Finance Department Haryana vide notification bearing no.11/25/2023-1FR/2478 dated 03.02.2023 published in Haryana Government Gazette had finalized Departmental Financial (Haryana Amendment) Rules 2023. Vide the said notification, clarity had been provided about the Competent Authority to whom power are delegated, nature of power and extent of power for consideration and finalization of all type of works by contract.

1. That in the existing procedures of finalization of procurement in respect of works by contract, negotiations of rate can be held only with the L<sub>1</sub> bidder and if the L<sub>1</sub> bidder refuse to accept reasonable rates, there are no option but to go for re-tendering. The process of re-tendering also takes its own time and cannot be afforded in critical works delivery areas. Besides this, there remains a possibility of getting further higher rates in the re-invited tender.
2. That in addition to above, there is also a requirement of uniformity of procedures with regard to price discovery on the basis of L<sub>1</sub> rates and negotiations if any required in respect of all types of procurements of Goods & Stores (both Fixed Purchase and Rate Contract), Turnkey, services and works by contract being made by the State.
3. That the matter has been considered by the State Government and the negotiation policy of the State for procurement of Works by Contract will be as under:-

The price discovery for cases related to procurement of works by contract may be generally determined based on the rates quoted by the L<sub>1</sub> bidder if the quoted rates are found to be reasonable by the Indenting Department/ Organization, and negotiations, if any, held with the lowest bidder.

- A. However, negotiation could be held upto four number of such bidder(s), in addition to L<sub>1</sub> bidder in cases where there are bidders falling within 5% of the L<sub>1</sub> bidder. In cases where the L<sub>1</sub> bidder refuses to further reduce his offered price and any of the four bidders come forward to offer a price which is better than the price offered by L<sub>1</sub> bidder, the bidder whose price is accepted becomes the L<sub>1</sub> bidder.

However, in such a situation, the original L1 bidder may be given one more opportunity to improve upon the discovered price. In case, the original L1 bidder further improve upon the price discovered during the negotiations, he would be treated as the L1 bidder.

B. In cases where there is no bidder within 5% of the L1 bidder:-

- (i) L2 bidder will be invariably called for negotiation in addition to the L1 bidder.
- (ii) L3 bidder will also be called, if it is so decided by the Minister-in-Charge, in addition to L1, L2 bidders.”

The above instructions may be brought to the notice of all concerned for its implementation with immediately effect.

- Sd -

Superintendent Finance Accounts,  
for Additional Chief Secretary to Government of Haryana,  
Finance Department

Endst No. 14/26/2023-6FA

Dated. 10.05.2023

A copy is forwarded to the following for information and further necessary action:

1. The Principal Accountant General (A&E/Audit), Haryana, Chandigarh
2. The Director General, Supplies & Disposals Department, Panchkula. Original file is enclosed herewith.
3. The Director, Treasuries and Accounts Department, Haryana, Chandigarh.

*Pa. J. Singh*

Superintendent Finance Accounts,  
for Additional Chief Secretary to Government of Haryana,  
Finance Department *Sr*

CC:-  
In-Charge, Computer Cell (FD).