

Government of Haryana
Department of Industries & Commerce
Directorate of Supplies & Disposals

Government Order

No. 2/2/2010-4-IB-II Dated 18.06.2013

Subject: Policy guidelines for procurement of Stores through Rate Contract System in substitution of G.O. No. 2/2/2010-4IB-II dated 20.04.2012.

As the officers in all Government departments and organisations are aware, procurement of Store Items is undertaken through 'Specific Store Item Indents' and 'Rate Contracts'. While the processes for 'Specific Indents' are fairly well standardized by now, it has been observed on the basis of experience of previous years that the system of procurement through 'Rate Contracts' need to be standardized.

2. The procurement of stores through 'Rate Contracts' is resorted in the following cases:

- (i) The said Store Item is required by multiple government departments/ organizations and it is not considered advisable to float individual tender inquiries by different departments/ organisations (e.g. Cement, Pipes, Vehicles etc.);
- (ii) The stores are required either by multiple agencies and/ or throughout the year on an on-going requirement basis and it is difficult to assess/ freeze the quantity requirements upfront in the tender (e.g. Distribution Transformers, Electricity Meters, Cables, Conductor, DI Pipes, Jute Bags, Medicines etc).
- (iii) The L₁ bidder may not have the manufacturing/ supplying capacity to execute the entire order (which may be the case in specific tenders also) or the indenting departments/ government may not consider it prudent to place the entire order on one single entity to minimize its risk/ dependence on a single source of supply.

3. It has also been observed that due diligence is lacking on the part of the Indenting Departments regarding their requirements of the store items against the proposed Rate Contract period whereas the same is feasible to a large extent keeping in view the budgetary provisions though it is appreciated that these quantities may need to be varied for unforeseen reasons. Further, where the rate contracts are operated for multiple departments/ organisations, there is need to standardize the 'Technical Specifications' (TS), 'Qualifying Requirements' (QRs), and other General Terms & Conditions of the Rate

Government of Haryana
Department of Industries & Commerce
Directorate of Supplies & Disposals

Contracts (e.g. delivery periods, inspections and testing before acceptance of the Stores, payment clauses, provision for extension of period, Guarantee/ Warranty or AMC conditions (if applicable), penalties for delays, non-delivery or substandard quality etc. for the same. It is expedient in such cases to designate different Departments as the Lead Departments for determining the above parameters.

4. Keeping the above in view, following decisions have been taken:

- (i) The process of determination of 'Technical Specifications' (TS), 'Qualifying Requirements' (QRs), and other General Terms & Conditions of the Rate Contracts (e.g. delivery periods, inspections and testing before acceptance of the Stores, payment clauses, provision for extension of period, Guarantee/ Warranty or AMC conditions (if applicable), penalties for delays, non-delivery or substandard quality etc. will be finalised through an inter-departmental consultative process as per the details given in Annexure 'A'.
- (ii) Each indenting Department/ organisation shall indicate its minimum requirement of the store item during the rate contract period and the maximum estimated quantity, which should generally be not more than 1.5 times of the minimum quantity;
- (iii) The Rate Contract Indents for the store items mentioned in Annexure 'B' shall be communicated to the DS&D Office by 15th March every year so as to ensure that the process for procurement of the aggregated requirement of all the government departments/ agencies is initiated immediately in the month of March itself. The cut-off date of 15th March, has been decided keeping in view that the impact of the Union Budget is known by this time and the Departments are also generally aware of their budget provisions for the following year;
- (iv) The price discovery for the Rate Contract shall be generally determined based on the rates quoted by the L₁ bidder and the negotiations, if any, held with the lowest bidder. However, the rate contract negotiations could be held up to L₃ bidder, if the difference between the L₁ quoted rates and those quoted by the L₂ and L₃ is within 5% of the L₁ quoted rates. In cases where the L₁ bidder refuses to further reduce his offered price and the L₂ or L₃ bidders come forward to offer a price which is better than the price offered by L₁ bidder, the bidder whose price is

Government of Haryana
Department of Industries & Commerce
Directorate of Supplies & Disposals

accepted becomes the L₁ bidder. However, in such a situation, the original L₁ bidder shall be given one more opportunity to match the discovered price. In case of acceptance, he would be treated as the L₁ bidder.

- (v) On determination of the price discovery pursuant to the above process, a counter-offer would be made to all such eligible bidders whose quoted price is within 10% of the L₁ quoted price, for acceptance of the discovered/ offered price. Such of the eligible bidders whose quoted price exceeds 10% of the L₁ quoted price shall not be eligible for consideration on the Rate Contract.
- (vi) The bidders, agreeing to accept the counter-offer of the discovered price following the above process, may be approved on the Rate Contract.

5. As regards apportionment of the quantity of supplies, the finally determined L₁ bidder would be accorded due preference and the allocation of order may go up to 50% of the total ordered quantity subject to his offered quantity/ capacity to supply. The balance order may be apportioned amongst the other bidders on the basis of their offered quantity, capacity to supply, past performance etc. which may be decided by the HPPC on case to case basis.

6. These guidelines shall be applicable to all cases of Rate Contracts to be considered by the HPPC after the date of issue of these guidelines

Y.S. Malik
Principal Secretary to Government of Haryana,
Industries & Commerce Department.

Government of Haryana
Department of Industries & Commerce
Directorate of Supplies & Disposals

Annexure -A

Template for DNIT

The DNITs should be reviewed and re-designed along the following components/ parameters with a view to achieve standardisation:

Sr. No.	Details to be furnished by the Indenting Entity in their Indents	
1	Indenting Entity i.e. Department/ Organisation	
2	Description of the Store Items to be procured	
3	Rate Contract Item or Direct/ fixed quantity Indent Item	
4	Quantity (in case of fixed quantity indent)	
	Estimated quantity/value (in case of Rate Contract indent)	
5	Inventory position of the stores	
6	Period/duration for which rate contract is required	
7	Purpose for which the stores is/ are required	
8	Detailed Technical Specifications along with drawings and samples, if necessary (wherever ISI specifications exists, the same may be referred)	
9	Documents required to be submitted by the bidder in support of Technical Specifications viz. ISI/ISO Certificate, Test Report etc.	
10	Qualifying requirements/ Eligibility criteria of bidders	
11	Documents to be submitted by bidders in respect of each QRs/ Eligibility criteria	
12	Impact of Black-listing, debarring etc. of the bidder by Central Government/ Other State Governments/ Government Undertakings as on the last date of submission of bids	
13	Place(s)/ Destination where stores are required to be delivered [specify clearly as to whether the rates are to be invited on anywhere in Haryana basis or on specified destination(s) basis]	
14	Whether unloading of stores at destination(s) is to be arranged by the supplier	
15	Payment terms/ conditions	
16	Warranty/Guarantee requirements (Please specify clearly the period for which	

Government of Haryana
Department of Industries & Commerce
Directorate of Supplies & Disposals

Sr. No.	Details to be furnished by the indenting Entity in their Indents	
	Warranty/Guarantee is required including the obligations of the supplier during the Warranty/Guarantee period as well as the penal provisions in case the supplier(s) fail(s) to attend/ rectify/ replace within the required period)	
17	AMC/ CMC requirements (Please specify clearly the period for which AMC/ CMC is required including the obligations of the supplier during the AMC/ CMC period as well as the penal provisions in case the supplier(s) fail(s) to perform as per the requirement)	
18	Certificate to the effect that the indenting entity has resources/ capacity to use/operate and the installation, including site preparation would be complete ahead of delivery (in case the purchase is of equipment/machinery)	
19	Probable sources of supply	
20	Estimated cost of each store item	
21	Delivery Schedule/ period	
22	Name of Inspecting Authority/ Agency. In case, the inspection is to be done by a Third Party agency, whether the quoted rates should be inclusive of inspection fee/charges.	
23	Treatment/ consequences on failure of samples/ type tests/ Technical Specifications as per the Policy	
24	Inspection procedure (wherever ISI/ISO specifications exists, the inspection procedure provided therein may be referred)	
25	Any special condition(s) required to be mentioned	
26	Mode of purchase, including time to be given to bidders for submission of their bids	
27	In case of Imported items, whether the Entity has been exempted from payment of Customs Duty. If so, certificate to the effect may be recorded	
28	For Boards/ Corporations/ Federations etc.: Certificate that they would deposit 1% Departmental Charges to the Directorate of Supplies and Disposals, Haryana.	

Government of Haryana
Department of Industries & Commerce
Directorate of Supplies & Disposals

Annexure -B

Nodal Departments

Following Departments are designated as the Nodal departments for determining the Technical Specifications (TSs), Qualifying Requirements (QRs), and other Terms & Conditions in respect of the following stores:

Sr. No.	Store Items	Lead/ Nodal Department	Indenting/ Departments	Procuring
1.	Vehicles (except specific department related stores)	Transport Department	All Government Departments/ Organisations	
2.	Cement	PWD (B&R)	All Government Departments/ Organisations	
3.	Pipes & other items required for drinking water supply	PHED	PHED, PWD(B&R), HUDA, HSAMB, HSIIDC, Municipal Committees	
4.	Bleaching Powder & other Water Purifying items, Manhole Covers & Frames, Sewer Cleaning Machines	PHED	PHED, HUDA, MCs	
5.	Medicines & Medical Equipments	Health	Health, Medical institutions, Medical Colleges/ University	
6.	DG sets, Road-rollers, and Furniture (except for Dual Desks & Computer Furniture)	PWD (B&R)	All Government Departments/ Organisations	
7.	Polythene Covers, Tarpaulins, Cross Laminated Covers, Deltametherine, Aluminium phosphide, Mesh nets, Crates (Wooden/ plastic)	Food Supplies & HAFED	Food & Supplies & other wheat procuring agencies viz HAFED, HWC, HAIC, Confed etc.	
8.	Transformers, ACSR Conductors, Cables, Poles, Meters & other related items	Indenting Power Utilities	Power Utilities and other infrastructure agencies	
9.	Glassware items, Laboratory chemicals/ reagents, Filter paper	Health	Health, Education, Agriculture, Testing Laboratories, Medical Institutions & other institutions	
11.	Dual Desks	School Education	Education, Industrial Training, Technical Education	
12.	Computers, Laptops, UPS, Printers & other IT related items & consumables, and Computer Furniture	HARTRON	All Government Departments/ Organisations	
13.	Bicycles, Sewing Machines, sports items etc.	School Education/ sports	Social Welfare, Labour, Education	
14.	Air conditioners, Fans, Air/ Water Coolers	PWD (B&R)	All Government Departments/ Organisations	
15.	Printing jobs, Paper & Stationary Supplies	Printing & Stationary	All Government Departments/ Organisations	
16.	Solar Energy based Equipments/system	HAREDA	All Governments/Organisations	
17.	Buses, Components/	Transport	Other User Departments such as	

Government of Haryana
Department of Industries & Commerce
Directorate of Supplies & Disposals

Sr. No.	Store Items	Lead/ Nodal Department	Indenting/ Departments	Procuring
	material required for fabrication & maintenance of Buses, Oil & Lubricants, Tyres & Tubes, Batteries, Tyre Retreading material		Police, Three PWDs etc.	
Note:	For any item(s) not covered above, the major consuming Department will act as the lead/ nodal department.			

Endst. No. 2/2/2010-4-IB-II

Dated, the 18th June, 2013

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

1. All the Administrative Secretaries to Government of Haryana.
2. All the Heads of Departments.
3. All the MDs/CEOs of Boards and Corporations.
4. All the Divisional Commissioners in the State of Haryana.
5. All the Deputy Commissioner in the State of Haryana.
6. Registrar, Punjab & Haryana High Court.

Bhupinder Malhotra
 Superintendent IB-II,
 for Principal Secretary to Government of Haryana,
 Industries & Commerce Department

Endst. No. 2/2/2010-4-IB-II

Dated, the 18th June, 2013

A copy each is forwarded to the Senior Secretaries/ Secretaries/ Private Secretaries to the Chief Minister/ Ministers for kind information of the Chief Minister/ Ministers.

Bhupinder Malhotra
 Superintendent IB-II,
 for Principal Secretary to Government of Haryana,
 Industries & Commerce Department

Endst. No. 2/2/2010-4-IB-II

Dated, the 18th June, 2013

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

1. Director, Supplies & Disposals, Haryana, Chandigarh.
2. The Principal Accountant General (Audit), Haryana, Sector 33, Chandigarh.

Bhupinder Malhotra
 Superintendent IB-II,
 for Principal Secretary to Government of Haryana,
 Industries & Commerce Department