7493/13/H&D

GOVERNMENT OF KERALA

STORES PURCHASE (A)DEPARTMENT

No.969/A2/2007/SPD Thiruvananthapuram, dated : 27-06-2013

CIRCULAR

Sub:- Stores Purchase Department- Stores Purchase Manual (Revised Edition 2013) – published – reg.

Ref:- G.O. (P) No.3/2013/SPD dated 21.06.2013.

As per the Government Order referred above the Stores Purchase Manual had been revised (2013) and has been hosted in the official website of the Government of Kerala www.kerala.gov.in (link : Reports and Manuals). Necessary direction has also been given to the Director of Printing to print and supply sufficient copies to each Government Departments/Offices.

All Government Departments/Offices/Public Sector Undertakings/Autonomous Bodies/Local Self Government Institutions etc. shall take utmost care in following the instructions deliberated in the Manual while purchasing of stores from the date of Government order referred above.

Any violation of these instructions of the above Manual will be viewed seriously and the officer concerned shall be held responsible.

SUBHASH JOHN MATHEW
Additional Secretary to Government

To
The Additional Chief Secretaries/Principal Secretaries/Secretaries/ Special Secretaries.
The Secretary, Kerala Legislature Secretariat, Thiruvananthapuram (with C/L)
All Heads of Departments/Offices/Public Sector Undertakings/ Autonomous bodies/ Local Self Govt. Institutions /Universities etc.
The Registrar, High Court, Ernakulam (with C/L)

The Advocate General, Ernakulam (with C/L)
The Registrar, Kerala Administrative Tribunal (with C/L)
All Enquiry Commissioner and Special Judges Court, EC &SJ Courts.
The Vigilance Tribunal, Kozhikode, Ernakulam, Thiruvananthapuram & Kottayam
The Director of Printing, Thiruvananthapuram (with C/L)
The Principal Accountant General (Audit), Kerala, Thiruvananathapuram.
The Accountant General (A& E) Kerala, Thiruvananthapuram.
Information & Public Relations Department (for publishing in the newspapers)

Information & Public Relations Department – Web & New Media (for hosting in the Government Website)
All Departments in the Secretariat including Law and Finance.
The Stores Purchase (B, IW -I & IW-II) Departments.
The Stock file/Office Copy.

Forwarded/By Order

A.N.

Section Office

Endorsement No. A5/7431/13/HRD dated 30th July, 2013

Copy communicated to

✓All Head of Institutions under IHRD, (along with relevant pages of Stores purchase manual for strict Compliance)

Sd/-
DIRECTOR

Approved for issue

Superintendent

3/

GOVERNMENT OF KERALA

Abstract

Stores Purchase Department - Revision of Stores Purchase Manual- Approved - Orders issued

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STORES PURCHASE (A) DEPARTMENT

G.O.(P)No. 03/2013/SPD Dated, Thiruvananthapuram, 21-06-2013.

Read: 1. G.O.(Rt)No.2/2010/SPD dated 02-01-2010.
2. G.O.(Rt)No. 7286/2012/Fin. dated 03-08-2012.
3. G.O.(Rt)No.7679/2012/Fin. dated 22-08-2012.

O R D E R

Stores Purchase Manual forms the basis for the procurement system of Government Departments, Public Sector Undertakings, Local Self Government Institutions, Autonomous Bodies and Universities. The Stores Purchase Manual being followed in the State is a publication as amended upto 1989 . However there are orders and instructions issued thereafter. Government have been considering the revision of the Stores Purchase Manual for the last several years. As per Government Order read 1st above, administrative sanction was issued for the preparation of the revised Stores Purchase Manual. Consequently, as per Government Orders read 2nd and 3rd above, a committee was constituted at Government level to vet the provisions of the Revised draft Stores Purchase Manual.

2. The Revised draft Stores Purchase Manual vetted by the committee was published in the official website www.kerala.gov.in (Link: Reports & Manuals) for eliciting the views/suggestions from the public, Government Departments, Public Sector Undertakings, Local Self Government Institutions , Autonomous Bodies and Universities.

3. Government have considered the Revised draft Stores Purchase Manual, 2013 in detail along with the views and suggestions received and are pleased to approve, effective from the date of this order, the Revised Stores Purchase Manual, 2013 as annexed to this Government Order.

4. Consequent amendments shall be made in the Kerala Financial Code consistent with the provisions of this Revised Stores Purchase Manual.

By Order of the Governor
Dr. V.P. JOY
Principal Secretary to Government

To
The Additional Chief Secretaries/Principal Secretaries/Secretaries/ Special Secretaries.
The Secretary, Kerala Legislature Secretariat, Thiruvananthapuram (with C/L)
All Heads of Departments/Offices/Public Sector Undertakings/ Autonomous bodies/ Local Self Govt. Institutions /Universities etc.
The Registrar, High Court, Ernakulam (with C/L)
The Advocate General, Ernakulam (with C/L)
The Registrar, Kerala Administrative Tribunal (with C/L)
All Enquiry Commissioner and Special Judges Court, EC &SJ Courts.
The Vigilance Tribunal, Kozhikode, Ernakulam, Thiruvananthapuram & Kottayam
The Director of Printing, Thiruvananthapuram (with C/L)
The Principal Accountant General (Audit), Kerala, Thiruvananathapuram.
The Accountant General (A& E) Kerala, Thiruvananthapuram.
Information & Public Relations Department (for publishing in the Government Website)
General Administration (SC) Department
All Departments in the Secretariat including Law and Finance.
The Stores Purchase (B, IW -I & IW-II) Departments.
Secretariat Library
The Stock file/Office Copy.

Forwarded/By Order

Section Officer

3. Once the technical specifications and evaluation criteria are finalized, the second stage of tendering could consist of calling for techno commercial bids as per the usual tendering system under single bid or two bid system, as per the requirement of each case. Final selection at this stage would depend upon the quoted financial bids and the evaluation matrix decided upon.

4. Commission desires that organizations formulate specific guidelines and circulate the same to all concerned before going ahead with such procurements.

Sd/-
(Anil Singhal)
Chief Technical Examiner

To

All Secretaries of Ministries/Departments
All CEOs/Heads of Organisations
All Chief Vigilance Officers

Appendix-13

No.011/VGL/014
GOVERNMENT OF INDIA
CENTRAL VIGILANCE COMMISSION
*****

Satarkata Bhawan, GPO Complex,
Block A, INA, New Delhi 110 023
Dated 11th February, 2011

Circular No. 01/02/11

Sub: Transparency in Tendering System

There have been 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 available in the market to meet the desired objectives of a transparent procurement that ensures value for money spent simultaneously ensuring upgradation of technology & capacity building.

2. The Commission advises that in such procurement cases where technical specifications need to be iterated more than once, 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. In such cases, two stage tendering process may be useful and be preferred. During the first stage of tendering, acceptable technical solutions can be evaluated after calling for the Expression of Interest (EOI) from the leading experienced and knowledgeable manufacturers/suppliers in the field of the proposed procurement. The broad objectives, constraints, etc. could be published while calling for EOI. On receipt of the Expressions of Interest, technical discussions/presentations may be held with the short-listed manufacturers/suppliers, who are prima facie considered technically and financially capable of supplying the material or executing the proposed work. During these technical discussions stage the procurement agency may also add those other stakeholders in the discussions who could add value to the decision making on the various technical aspects and evaluation criteria. Based on the discussions/presentations so held, one or more acceptable technical solutions could be decided upon laying down detailed technical specifications for each acceptable technical solution, quality bench marks, warranty requirements, delivery milestones, etc., in a manner that is consistent with the objectives of the transparent procurement. At the same time care should be taken to make the specifications generic in nature so as to provide equitable opportunities to the prospective bidders. Proper record of discussions/presentations and the process of decision making should be kept.

Appendix-12

No.005/VGL/4
Government of India
Central Vigilance Commission
*****

Satarkata Bhawan, Block 'A',
GPO Complex, INA,
New Delhi- 110 023
Dated the 14th July, 2009

CIRCULAR No. 17/7/09

Subject: Posting of details on award of tenders/contracts on websites.

The Commission vide circulars dated 16.03.2005, 28.07.2005 and 18.04.2007 had directed all organisations to post on their web-sites a summary, every month, containing details of all the contracts/purchases made above a threshold value (to be fixed by the organisations) covering atleast 60% of the value of the transactions every month to start with on a continuous basis. CVOs were required to monitor the progress and ensure that the requisite details were posted regularly on respective websites, and also to incorporate compliance status in their monthly report to the Commission.

2. On a review of the status of implementation by the organisations, it is observed that some organisations have not adhered to the instructions and implemented the same. Further, such information being posted on the websites are not being regularly updated on a continuous basis by certain organizations and, in some cases, the information published is disjointed and not as per the prescribed format laid down by the Commission. It is also seen that a few organisations have placed such information on restricted access through passwords to registered vendors/suppliers etc. which defeats the basic purpose of increasing transparency in administration.

3. The Commission, therefore, while reiterating its aforementioned instructions would direct all organisations/departments to strictly adhere and post summary of details of contracts/purchases awarded so as to cover 75% of the value of the transactions without any further delay. Any failure on the part of the organisations on this account would be viewed seriously by the Commission.

4. All Chief Vigilance Officers should reflect the compliance status in their monthly reports to the Commission after personally verifying the same.

Sd/-
(Shalini Darbari)
Director

To

All Secretaries of Ministries/Departments
All CEOs /Heads of Organisations
All Chief Vigilance Officers

Appendix-11

No.008/VGL/083
Government of India
Central Vigilance Commission
*****

Satarkata Shawan, Block 'A',
GPO Complex, INA,
New Delhi- 110 023
Dated the 6th November 2008

Circular No.31/11/08

Subject: Time bound processing of procurement.

The Commission has observed that at times the processing of tenders is inordinately delayed which may result in time and cost overruns and also invite criticism from the Trade Sector. It is, therefore, essential that tenders are finalized and contracts are awarded in a time bound manner within original validity of the tender, without seeking further extension of validity. While a short validity period calls for prompt finalization by observing specific time-line for processing, a longer validity period has the disadvantage of vendors loading their offers in anticipation of likely increase in costs during the period. Hence, it is important to fix the period of validity with utmost care.

2. The Commission would, therefore, advise the organizations concerned to fix a reasonable time for the bids to remain valid while issuing tender enquiries, keeping in view the complexity of the tender, time required for processing the tender and seeking the approval of the Competent Authority, etc., and to ensure the finalization of tender within the stipulated original validity. Any delay, which is not due to unforeseen circumstances, should be viewed seriously and prompt action should be initiated against those found responsible for non-performance.

3. Cases requiring extension of validity should be rare. And in the exceptional situations where the validity period is sought to be extended, it should be imperative to bring on record in real time, **valid and logical grounds,** justifying extension of the said validity.

4. These instructions may please be noted for immediate compliance.

Sd/-
(Shalini Darbari)
Director

All Chief Vigilance Officers

Appendix-10

No.008/CRD/008
Government of India
Central Vigilance Commission
*****

Satarkata Bhawan, Block 'A',
GPO Complex, INA,
New Delhi- 110 023
Dated the 24th July 2008

Circular No. 22/07/08

Sub: – Referring cases of Procurement to the Commission.

The Commission has noted a significant rise in the number of references made to it involving procurement at different stages. These relate to specific cases and are not generic in nature. Essentially they belong to the domain of managerial decision making and the matter needs to be decided at that level.

The Central Vigilance Commission and its Chief Vigilance Officers, as a matter of policy do not interfere in the process of decision making, which is a management function of the respective organization.

The Commission has issued various circulars/guidelines /instructions in order to promote transparency, improve competition and ensure equity among participants. However, if any organization faces difficulty in the application of any of the circulars/guidelines/instructions issued by the Commission, then it may approach the Commission bringing out the difficulties along with a proposed generic solution listing out the ingredients of the special circumstances for examination and review by the Commission. References of a general nature having elements of managerial decision making and concerning a particular procurement should be avoided.

(V. Ramachandran)
Chief Technical Examiner
Central Vigilance Commission

All Chief Vigilance Officers in the Ministries/Departments/PSEs/ Public Sector Banks/Insurance Companies/ Autonomous Organisations/Societies

All Chief Vigilance Officers in the Ministries/Departments/PSEs/ Public Sector Banks/Insurance Companies/ Autonomous Organisations/Societies
Annexure: Model Undertaking of Authenticity form

Sub: Undertaking of Authenticity for Desktops and Server Supplies

Sub: Supply of IT Hardware/Software -- Desktops and Servers
Ref : 1. Your Purchase Order No. ----------dated-------.
2. Our invoice no/Quotation no. -------dated--------.

With reference to the Desktops and Servers being supplied /quoted to you vide our invoice no/quotation no/order no. Cited above,----

We hereby undertake that all the components/parts/assembly/software used in the Desktops and Servers under the above like Hard disk, Monitors, Memory etc shall be original new Components/parts/ assembly /software only, from respective OEMs of the products and that no refurbished/duplicate/ second hand components/parts/ assembly / software are being used or shall be used.

We also undertake that in respect of licensed operating system if asked for by you in the purchase order, the same shall be supplied along with the authorised license certificate (eg Product Keys on Certification of Authenticity in case of Microsoft Windows Operating System) and also that it shall be sourced from the authorised source (eg Authorised Microsoft Channel in case of Microsoft Operating System).

Should you require, we hereby undertake to produce the certificate from our OEM supplier in support of above undertaking at the time of delivery/installation. It will be our responsibility to produce such letters from our OEM supplier's at the time of delivery or within a reasonable time.

In case of default and we are unable to comply with above at the time of delivery or during installation, for the IT Hardware/Software already billed, we agree to take back the Desktops and Servers without demur, if already supplied and return the money if any paid to us by you in this regard.

We (*system OEM name*) also take full responsibility of both Parts & Service SLA as per the content even if there is any defect by our authorized Service Centre/ Reseller/SI etc.

Authorised Signatory

Name:
Designation
Place
Date

The "**Signed Undertaking**" as suggested shall serve as a deterrent and as a safeguard to ensure that bidders are not fleecing them by supplying such monitors.

4. **Operating System.** Purchasers should check the IT Hardware supplied (randomly selected IT Hardware) for Certificate of Authenticity (COA) pasted on the PC for product serial number and OEM's / Supplier's name to be printed on it.

In Operating systems, pirated OS software with fake Certificates of Authenticity are used by some suppliers to cut costs. They look as good as the real ones. In PCs, counterfeiters buy legitimate software and copy the box design and packaging. Using sophisticated and expensive copiers, many copies of illegal CDs are created in a day. Purchasers should guard against buying IT Hardware with pirated copies of Operating Systems. Such Operating Systems, though, available at low prices, do not have the updated patches and security features that help safeguarding the PC and also improve its lifespan. Purchasers, therefore, may use the standard testing procedures (randomly on randomly selected IT Hardware) available on the following URL fo ascertaining the in authenticity of the operating system installed on their PC :
http://www.microsoft.com/resources/howtotell/ww/windows/default.mspx
Microsoft provides an inbuilt tool to diagnose the "Genuineness of its Operating System". One could go to 'My Documents', and 'Help', from where one shall get step by step instructions to find out whether the windows installed is genuine.
http:// www.microsoft.com/resources/howtotell/ww/windows/default.mspx

5. **Mechanical Keyboards**: Fake mechanical keyboards that are partially mechanical, with only the key plunger being that of a real mechanical keyboard and rest of the keyboard features remaining the same as those of membrane keyboard are being passed on as true mechanical keyboards. While these keyboards are available at low prices, they do not offer the robustness and long key-stroke life expected of a real mechanical keyboard. Real Mechanical Keyboards are expected to have Keystroke life of 50 Million as against 10 million for Membrane and Semi- Mechanical Keyboards. In case of bulk orders, it is recommended to physically examine a few keyboards for their construct to ascertain the genuineness of their being real mechanical keyboards.

6. **Low Quality Memory Module –** Memory chips are remarked or downgraded wafers are plastic packed under unknown brands or remarked with names of wellknown brands. Such memory modules have lower performance levels. It is better to go in for proven reputed brands such as Kingston, Transcend, Corsair, Samsung and Hynix to name a few available in the market.

7. **Fraudulently Marked SMPS –** In power supplies, wrong marking of the wattage is done. The power supplies do not carry all required certifications. While 'Genuine' Power supplies carry all mandatory certifications, in counterfeit Power supplies these certifications shall be found missing. Further Short circuit & over voltage protection circuitry could be missing in counterfeit Power Supply to reduce cost.

8. **Counterfeited Consumables –** Counterfeited consumables such as printer cartridges etc are used which are refilled with ink of poor quality leading to poor performance and clogging, smudging in printers etc. It is advisable to buy such consumables from OEM authorized suppliers or distributors to ensure quality and longevity of the printer equipment.

Sd/-
(V. Ramachandran)
Chief Technical Examiner
Central Vigilance Commission

Over clocked and sold as high end processors. These CPUs, come disguised as higher clock speed processors (e.g. a Celeron CPU can be remarked as a P4 CPU) while their real clock speed may be lower. Since Operating System is loaded from CD bundled with Motherboard, the CD contains image of configured OS. Hence information as seen in '**My Computer' – 'System Properties'** shall give deceptive information. In other words, a Celeron CPU remarked as a P4 CPU, shall be seen as a P4 CPU only.

Buyers should therefore, use various tool / utilities like the '**CPU-Z**' Utility or the '**sSpecNo**.' for ascertaining the real parameters of the CPU. Utility like CPU-Z (appox. 1.3 MB size) are available free on the web.

2. **Hard Disk** IT Hardware with refurbished Hard Disks that are actually 2nd hand / repaired hard disks are readily available at low cost. In hard disk drives, the factory repaired hard disk drives, which are mainly used in the warranty replacements are substituted in the new machines. Same is the case observed with floppy drive and Optical disk drives many times.

Most of the competent hard disk makers use a sticker on such hard disks sold by them that clearly distinguishes such hard disks from the fresh ones. For example, manufacturer '**Seagate'** marks **Green Border** and label of **"Certified Repaired HDD"** to distinguish such disk drives from **New Genuine HDD.** There is **No border** or **Refurbished** label on genuine new HDD.

In addition to this, buyers may also use **HDTUNE_210** Utility. This utility shall return Hard Disk Manufacturers' Serial no. and Date of manufacturing of the Hard Disk. These parameters can be used to cross-verify with the hard disk vendor. Various Hard Disk vendors also put a date code on the hard disk. A mismatch between this date and the one returned by HDTUNE_210 Utility can also be viewed as tampering with the actual information of the hard disk.

3. **Monitors**. IT Hardware with refurbished Monitors that are actually 2nd hand / repaired monitors are given a "new look" by changing the body, with internal components remaining "old / repaired". These CRT monitors are usually discarded from developed countries like US and Europe. There are also B Grade (New but Low Quality) CRT Monitors used in place of new monitors. Many times these can be distinguished by opening the cabinet body and noticing that the label on the tube does not carry various certifications and there are scratch marks on the tube. While 'Genuine' Picture Tubes have all mandatory Certifications, 'Counterfeit' Picture Tubes would not have these certifications. Certification gives an assurance of Reliability.

Further many such cathode ray tubes **(**Picture Tubes**)** are found to need extra magnets to achieve focusing and earthing also is missing. Genuine Monitors rely on 'Yoke Coil' alone to focus electronic beam. Counterfeit Monitors typically require Numerous Magnetic Strips in addition to Yoke Coil to focus electronic beam. Further, '**Earthing'** and **'Shielding'** provide **ESD** (Electro Static Discharge) protection**. Genuine Picture Tubes** have **proper "Earthing and Shielding".** Earthing and Shielding is compromised in counterfeit Picture Tubes to reduce cost**.**

In 'B' Grade LCD Monitors, panels used are B grade in which the number of spots may be higher, response time & brightness of lower specs than what is stated.

Above monitors are all available at low cost.

Appendix-9

No.007/CRD/008
Government of India
Central Vigilance Commission
*****

Satarkata Bhawan, Block 'A',
GPO Complex, INA,
New Delhi- 110 023
Dated the 15th February 2008

Circular No. 07/02/08

Subject: – **Measures to curb the menace of counterfeit and refurbished IT products** - regarding.

With the increasing use of IT to leverage technology, a large number of Government organizations are either upgrading or in the process of procurement of new computer hardware and software. It is often difficult to know the difference between PC made of "**Genuine Parts**" and that made of "**Counterfeit Parts**". It may also be the case often that while various organisations order and pay for brand new equipment, they end up getting an inferior PC with counterfeit and second hand/refurbished parts disguised as new in new/ original cabinets to various customers designated as consignees by the ordering agencies at the headquarters of these organizations who are ignorant or have little or no technical knowledge in the matter.

In effect, this amounts to the organisation not getting what they actually ordered and paid for. The supplies of such PC in the long run would defeat the very purpose of going for a new system. COUNTERFEITING is designed to cheat naive consumers/organizations.

This current circular is intended to help/ inform and enable due diligence as well as curbing the menace of counterfeit and refurbished IT products disguised as new.

As a first step, there is a need for all buyers in the Government Departments/ PSU to insist on a signed undertaking (sample format enclosed) from some authority not lower than the Company Secretary of the system OEM that would certify that all the components/ parts/ assembly/ software used in the Desktops and Servers like Hard disk, Monitors, Memory etc were original/ new components/parts/assembly/software, and that no refurbished/duplicate/ second hand components /parts / assembly /software were being used or would be used, so that the buying organizations were not cheated and get the original equipments as ordered by them. Also one could ask for 'Factory Sealed Boxes' with System OEM seal to ensure that the contents have not been changed en route.

Following advisory checkpoints it is hoped shall help identify the fraudulent practices that have come to notice and help guard against spurious and refurbished/duplicate/ second hand components/parts/ assembly / software being received by purchasers and consignees who receive such goods and may not have much technical knowledge.

1. **CPU**. Buyers are cautioned against buying IT Hardware with remarked CPUs that are freely / readily available in the market today. Entry Level processors get **Remarked /**

4. Therefore, all organizations are advised to evolve the procedure for acceptance of BGs, which is compatible with the guidelines of Banks/Reserve Bank of India. The steps to be ensured should include –

i. Copy of proper prescribed format on which BGs are accepted from the contractors should be enclosed with the tender document and it should be verified verbatim on receipt with original document.

ii. It should be insisted upon the contractors, suppliers, etc. that BGs to be submitted by them should be sent to the organization directly by the issuing bank under Registered Post (A.D.).

iii. In exceptional cases, where the BGs are received through the contractors, suppliers, etc., the issuing branch should be requested to immediately send by Registered Post (A.D.) an unstamped duplicate copy of the guarantee directly to the organization with a covering letter to compare with the original BGs and confirm that it is in order.

iv. As an additional measure of abundant precaution, all BGs should be independently verified by the organisations.

v. In the organization/unit, one officer should be specifically designated with responsibility for verification, timely renewal and timely encashment of BGs.

5. Keeping above in view, the organizations may frame their own detailed guidelines to ensure that BGs are genuine and encashable.

6. Receipt of the above guidelines should be acknowledged.

Sd/- 26/4/10
(Smt. Padmaja Varma)
Chief Technical Examiner

To

All Chief Vigilance Officers

Appendix-8

No.02-07-01-CTE-30
Government of India
Central Vigilance Commission
*****

Satarkata Bhawan, GPO Complex,
Block A, INA, New Delhi 110 023
Dated 31st Dec. 2007

OFFICE MEMORANDUM
Circular No. 01/01/08

Sub: Acceptance of Bank Guarantees.

A number of instances have come to the notice of the Commission where forged/fake bank guarantees have been submitted by the contractors/suppliers. Organizations concerned have also not made any effective attempt to verify the genuineness/authenticity of these bank guarantees at the time of submission.

2. In this background, all organizations are advised to streamline the system of acceptance of bank guarantees from contractors/suppliers to eliminate the possibility of acceptance of any forged/fake bank guarantees.

3. The guidelines on this subject issued by Canara Bank provides for an elaborate procedure, which may be found helpful for the organizations in eliminating the possibility of acceptance of forged/fake bank guarantees. The guidelines issued by Canara Bank provides that –

"The original guarantee should be sent to the beneficiary directly under Registered Post (A.D.). However, in exceptional cases, where the guarantee is handed over to the customer for any genuine reasons, the branch should immediately send by Registered Post (A.D.) an unstamped duplicate copy of the guarantee directly to the beneficiary with a covering letter requesting them to compare with the original received from their customer and confirm that it is in order. The A.D. card should be kept with the loan papers of the relevant guarantee.

At times, branches may receive letters from beneficiaries, viz., Central/State Governments, public sector undertakings, requiring bank's confirmation for having issued the guarantee. Branches must send the confirmation letter to the concerned authorities promptly without fail."

Appendix-7

005/VGL/66
Government of India
Central Vigilance Commission
*****

Satarkata Bhawan, Block 'A',
GPO Complex, INA,
New Delhi- 110 023
Dated the 9/12/2005

Office Order No. 71/12/05

Subject: Undertaking by the Members of Tender Committee/Agency.

In continuation of the Commission's directions vide Order 005/VGL/4 dated 16/3/2005 regarding transparency in the tender process, the Commission would advise that the members of the Tender Committee should give an undertaking at the appropriate time, that none of them has any personal interest in the Companies/Agencies participating in the tender process. Any Member having interest in any Company should refrain from participating in the Tender Committee.

2. CVOs should bring this to the notice of all concerned.

Sd/-
(Anjana Dube)
Deputy Secretary

All Chief Vigilance Officers

Appendix-6

No. OFF-1-CTE-1(Pt) V
Government of India
Central Vigilance Commission
*****

Satarkata Bhawan, Block 'A',
GPO Complex, INA,
New Delhi- 110 023
Dated the 24th March 2005

Office Order No. 15/3/05

Subject: Notice inviting tenders – regarding.

The Commission has observed that some of the Notice Inviting Tenders (NITs) have a clause that the tender applications could be rejected without assigning any reason. This clause is apparently incorporated in tender enquiries to safeguard the interest of the organisation in exceptional circumstance and to avoid any legal dispute, in such cases.

2. The Commission has discussed the issue and it is emphasized that the above clause in the bid document does not mean that the tender accepting authority is free to take decision in an arbitrary manner. He is bound to record clear, logical reasons for any such action of rejection/recall of tenders on the file.

3. This should be noted for compliance by all tender accepting authorities.

Sd/-
(Anjana Dube)
Deputy Secretary

All Chief Vigilance Officers

Appendix-5

No. 05-04-1-CTE-8
Government of India
Central Vigilance Commission
(CTEs Organisation)

Satarkata Bhawan
INA Colony
New Delhi- 110023
Dated: 8.6.2004

OFFICE MEMORANDUM

Sub: Receipt and Opening of Tenders

****

In the various booklets issued by the CTE Organisation of the Commission, the need to maintain transparency in receipt and opening of the tenders has been emphasized and it has been suggested therein that suitable arrangements for receipt of sealed tenders at the scheduled date and time through conspicuously located tender boxes need to be ensured.

A case has come to the notice of the Commission, where due to the bulky size of tender documents the bid conditions envisaged submission of tenders by hand to a designated officer. However, it seems that one of the bidders while trying to locate the exact place of submission of tenders, got delayed by few minutes and the tender was not accepted leading to a complaint.

In general, the receipt of tenders should be through tender boxes as suggested in our booklets. However, in cases where the tenders are required to be submitted by hand, it may be ensured that the names and designation of atleast two officers are mentioned in the bid documents. The information about these officers should also be displayed at the entrance/reception of the premises where tenders are to be deposited so as to ensure convenient approach for the bidders. The tenders after receipt should be opened on the stipulated date and time in presence of the intending bidders.

Sd/-
(Gyaneshwar Tyagi)
Technical Examiner

Copy to: -

All CVOs: Ministries/Departments/PSUs/Banks/UTs

Appendix-4

No. 12-02-6-CTE-SPI(I)-2
Government of India
Central Vigilance Commission
(CTE's Organisation)

Satarkata Bhawan
Block A, GPO Complex
INA Colony
New Delhi- 110 023
Dated: 21st April 2004

Office Order No. 25/04/04

Sub: Consideration of Indian Agents.

The Commission has received a complaint alleging that in Government tenders an agent participates by representing a company officially and another bid is submitted as a 'direct offer' from the manufacturer. At times, the agent represents a foreign company in one particular tender and in another tender the said foreign company participates directly and the agent represents another foreign company. There is a possibility of cartelization in such cases and thus award of contract at higher prices.

2. The issue has been deliberated in the Commission. In order to maintain the sanctity of tendering system, it is advised that the purchases should preferably be made directly from the manufacturers. Either the Indian Agent on behalf of the foreign principal or the foreign principal directly could bid in a tender but not both. Further, in cases where an agent participates in a tender on behalf of one manufacturer, he should not be allowed to quote on behalf of another manufacturer along with the first manufacturer in a subsequent/parallel tender for the same item.

3. It is suggested that these guidelines may be circulated amongst the concerned officials of your organization for guidance.

Sd/-
(A.K. Jain)
Technical Examiner
For Chief Technical Examiner

To

All CEOs of Ministries/Departments/PSUs/Banks/Insurance Companies/Autonomous Organisations/UTs.

phased manner starting with transactions with the major suppliers in the beginning or in whatever manner is found more convenient.

It is expected that in three months i.e. by 1st July, 2004, 50% of the payment transactions both in value terms as well as in terms of number of transactions shall be made through ECS/EFT mechanism instead of payment through cheques. The remaining 50% payment transactions at all centres where such facilities exist shall be made by 31st Dec., 2004.

These instructions are applicable to all the metro cities and other urban centres where the banks provide ECS/EFT and similar other facilities.

The departments, PSUs, Banks etc. should also provide an enabling environment and facilities so that businessmen and other citizens can make payment of Govt. dues and payments to PSUs etc. electronically.

In addition to significantly reducing processing costs in preparation and dispatch of cheques, the above measures also reduce the risk of frauds by providing speed, efficiency and easier reconciliation of accounts.

Sd/-
(Anjana Dube)
Deputy Secretary

To

i) The Secretaries of All Ministries/Departments of Government of India.
ii) The Chief Secretaries to all Union Territories.
iii) The Comptroller & Auditor General of India.
iv) The Chairman, Union Public Service Commission.
v) The Chief Executives of all PSEs / Public Sector Banks / Insurance Companies / Autonomous Organisations / Societies.
vi) All Chief Vigilance Officers in the Ministries / Departments / PSEs Public Sector Banks / Insurance Companies / Autonomous Organisations / Societies.
vii) President's Secretariat / Vice-President's Secretariat / Lok Sabha Secretariat /Rajya Sabha Secretariat / PMO.

Appendix-3

No.98/ORD/1
Government of India
CENTRAL VIGILANCE COMMISSION
******

Satarkata Bhavan, Block 'A',
G.P.O. Complex, I.N.A.,
New Delhi – 110 023
Dated the 6th April, 2004

Office Order No. 20/4/04

Sub: Improving Vigilance Administration: Increasing Transparency and cutting delays by e-payments and e-receipt by Govt. Organisations etc.

The Commission has been receiving complaints about inordinate delays in making payments to the vendors and other suppliers to the Govt. organisations, Public Sector Undertakings etc. Similarly complaints are received about delays in getting refunds from taxation dept. and other departments. Apart from increasing the cost of procurement, the delays lead to opportunities for corruption. A number of measures are required to cut down on delays in making payments. One such step is resorting to mechanism of e-payments and e-receipts wherever such banking facilities exist.

In the last few years tremendous progress has been made by the banking sector in computerization including net-working of branches, making it possible to do e-banking by making use of facilities like electronic clearing system (ECS) and electronic fund transfer (EFT) etc. These facilities are available in most of the banks including the State Bank of India as well as in private banks. A large number of corporates including public sector undertakings are already making e-payments to vendors and employees instead of making payments by issue of cheques.

The Commission has been receiving complaints that delay is intentionally caused with ulterior motives in the issue and dispatch of cheques in the accounts and finance wings of a large number of Govt. Organisations. As the e-payment facility is already available in the metros as well as practically in all the main urban centres of the country, in order to curb the above mentioned malpractices, the CVC in the exercise of powers conferred on it under Section 8(1) (h) issues following instructions for compliance by all govt. departments, PSUs, banks and other agencies over which the Commission has jurisdiction.

1. The payment to all suppliers/vendors, refunds of various nature, and other payments which the organisations routinely make shall be made through electronic payment mechanism at all centres where such facilities are available in the banks.

2. Salary and other payments to the employees of the concerned organizations at such centres shall also be made through electronic clearing system (ECS) wherever such facilities exist.

As the organisations will have to collect bank account numbers from the vendor, suppliers, employees and others who have interface of this nature with the Govt. organisations, the concerned organisations may plan to switch over to epayment system in a

the amount by draft/cheques etc. at the time of submission of the application form and bid documents.

3. While the above directions must be fully complied with, efforts should be made by organizations to eventually switch over to the process of eprocurement/e-sale wherever it is found to be feasible and practical.

4. The above directions are issued in supersession of all previous instructions issued by the CVC on the subject of use of web-site for tendering purposes. These instructions shall take effect from 1st January, 2004 for all such organizations whose web-sites are already functional. All other organizations must ensure that this facility is provided before 1st April, 2004.

Sd/-
(P. Shankar)
Central Vigilance Commissioner

To

(i) The Secretaries of All Ministries/Departments of Government of India
(ii) The Chief Secretaries to all Union Territories
(iii) The Comptroller & Auditor General of India
(iv) The Chairman, Union Public Service Commission
(v) The Chief Executives of all PSEs/ Public Sector Banks/Insurance Companies/ Autonomous Organisations/Societies.
(vi) The Chief Vigilance Officers in the Ministries/Departments/PSEs/Public Sector Banks/Insurance Companies/Autonomous Organisations/Societies
(vii) President's Secretariat / Vice-President's Secretariat / Lok Sabha Secretariat / Rajya Sabha Secretariat / PMO

Appendix-2

No.98/ORD/1
CENTRAL VIGILANCE COMMISSION
*****

Satarkata Bhavan, Block 'A'
G.P.O. Complex, I.N.A.,
New Delhi– 110 023
Dated the 18th December, 2003

Subject:- Improving Vigilance Administration: Increasing Transparency in Procurement/ Sale etc.

The Commission is of the opinion that in order to bring about greater transparency in the procurement and tendering processes there is need for widest possible publicity. There are many instances in which allegations have been made regarding inadequate or no publicity and procurement officials not making available bid documents, application forms etc. in order to restrict competition.

2. Improving vigilance administration is possible only when system improvements are made to prevent the possibilities of corruption. In order to bring about greater transparency and curb the mal-practices mentioned above the Central Vigilance Commission in the exercise of the powers conferred on it under Section 8(1)(h) issues following instructions for compliance by all govt. departments, PSUs, Banks and other agencies over which the Commission has jurisdiction. These instructions 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.

(i) In addition to the existing rules and practices regarding giving publicity of tenders through newspapers, trade journals and providing tender documents manually and through post etc. the complete bid documents alongwith application form shall be published on the web site of the organization. It shall be ensured by the concerned organization that the parties making use of this facility of web site are not asked to again obtain some other related documents from the department manually for purpose of participating in the tender process i.e. all documents upto date should remain available and shall be equally legally valid for participation in the tender process as manual documents obtained from the department through manual process.

(ii) The complete application form should be available on the web site for purposes of downloading and application made on such a form shall be considered valid for participating in the tender process.

(iii) The concerned organization must give its web site address in the advertisement/NIT published in the newspapers.

iv) If the concerned organization wishes to charge for the application form downloaded from the computer then they may ask the bidding party to pay

Appendix-1

No. 98/ORD/1
Government of India
Central Vigilance Commission
******

Satarkata Bhavan, Block - 'A',
GPO Complex, INA,
New Delhi - 110 023
Dated 04.09.2003

Office Order No.44/9/03

To

All Chief Vigilance Officers

Sub: Irregularities in the award of contracts.

Sir/Madam,

While dealing with the case of a PSU, the Commission has observed that the qualification criteria incorporated in the bid documents was vague and no evaluation criterion was incorporated therein. It is also seen that the category-wise anticipated TEUs were not specified in the bid documents and the same was left for assumptions by Tender Evaluation Committee for comparative evaluation of financial bids, which led to comparative evaluation of bids on surmises and conjectures. Further, it was also provided as a condition in the tender bid that the tenderer should have previous experience in undertaking handling of similar work and/or transportation works preferably of ISO containers, however, no definition of 'similar works' was, indicated in the bid documents.

2. It should be ensured that **pre-qualification criteria, performance criteria and evaluation criteria are incorporated in the bid documents in clear and unambiguous terms as these criterion very important to evaluate bids in a transparent manner. Whenever required the departments/organisations should have follow two-bid system, i.e. technical bid and price bid. The price bids should be opened only of those vendors who were technically qualified by the Deptt./ Organisation.** The Commission would therefore advise that the Deptt./ Organisation may issue necessary guidelines in this regard for future tenders.

3. It has also observed that the orders were allegedly split in order to bring it within the powers of junior officers and that the proper records of machine breakdown were not being kept. It is therefore, decided that in the matters of petty purchase in emergency items all departments/organisations must keep proper records of all machine breakdown etc.

4. All CVOs may bring this to the notice of all concerned.

Yours faithfully,

Sd/-
(Anjana Dube)
Deputy Secretary

APPENDIX

RELEVANT CIRCULARS/ORDERS OF THE CENTRAL VIGILANCE COMMISSION

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)

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.

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.

*6 (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 subject is given by Government.

* Inserted by G. O. 9ms.) No. 8/96/SPD, dated 9-8-1996.

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 n 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 of …… days/ 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 of …….. days/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 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 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.

ANNEXURE 32

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. ……. 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 ₹…….. …….. being …….. per 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 on ……. Bank 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

ANNEXURE 31

EXTRACTS OF ARTICLES 14 AND 50 OF THE KERALA STAMP ACT, 1959 (ACT 17 OF 1959)

	Description of instrument	Proper stamp duty
50.	Security bond or mortgage deed executed by way of security for the due execution of an office or to account for money or other property received by virtue thereof or executed by a surety to secure the due performance of a contract--	
	(a) When the amount secured does not exceed ₹ 1,000	Five rupees for every ₹ 100 or part thereof the amount secured.
	(b) In any other case	Sixty rupees

AND WHEREAS for the purpose of security and indemnifying the Government against all loss or damage which the Government may suffer in the event of materials supplied being found short or defective on checking and in consideration of the said advance payment of ₹……. (in words also) by the Government to the Contractor it has been agreed by the Contractor to execute this bond subject to the conditions hereinafter contained.

NOW THE CONDITION of the above written Bond is such that if the Contractor supplies the materials mentioned in the said agreement in complete satisfaction of the Government and in conformity with the provisions of the said security bond the above written bond shall be void otherwise the same shall be and remain in full force and effect.

All sums found due to the Government from the Contractor under or by virtue of this deed shall be recoverable from the Contractor and his/their properties both 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 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 agreement the Contractor agrees that the decision of the Government shall be final and conclusive and shall be binding on the Contractor".

IN WITNESS WHEREOF Shri…….. has signed this …… day of ……

Signed by Shri. ……

In the presence of witnesses:

1.

2.

ANNEXURE 30

FORM OF SECURITY BOND FOR ADVANCE PAYMENT

Know all MEN BY THESE PRESENT THAT I/WE …… …….. (here enter name(s) and address(es) of the person or persons) (hereinafter called "the Contractor") bind myself/ourselves to the Governor of Kerala (hereinafter called "the Government") for the payment to the Government of the sum of ₹…….(Rupees in words also.)

Signed by Shri…… Shri…….. in the presence of witnesses.

1…….

2…….

WHEREAS by Security bond executed on the ……..day of ……

BETWEEN the Government and the Contractor (hereinafter called "the said Agreement") the Contractor has agreed to supply to the Government of Kerala ……(here enter the name of material) (hereinafter collectively called as "the materials') in pursuance of supply Order No…… dated…….

WHEREAS one of the conditions of the said security bond is that all payments to the Contractor for supplies effected satisfactorily will be made after scrutiny of the bills;

WHEREAS the Contractor has requested the Government to make advance payment on the basis of railway receipt for dispatch/or bill of lading or against proof of dispatch of the …….. (here enter details of materials) before actual receipt and verification of the materials agreed to be supplied as per the said agreement.

AND WHEREAS Government have agreed to advance to the Contractor ……..per cent of the value of the materials agreed to be supplied;

ANNEXURE 29

MODEL FORMAT FOR CORRESPONDENCE WITH SUPPLIER AFTER BREACH OF CONTRACT

Registered Acknowledgement Due

To

M/s. ……..
……

Sub: Contract no…… dated…… for supply of ……..

Dear Sirs,

The date of delivery of the subject contract expired on …… As supplies against the same have not yet been completed, there is a breach of the contract on your part. As information is required regarding past supplies against this contract, you are requested to send the particulars regarding the quantity so far supplied and, also, the quantity so far inspected but not yet dispatched and the quantity so far not tendered for inspection before the expiry of the date of delivery. The above information is required for the purpose of verification of our records and is not intended to keep the contract alive and does not waive the breach.

This is without prejudice to the rights and remedies available to the purchaser in terms of the contract and law applicable in this behalf.

Yours faithfully,

(……..)

for ……..……..

ANNEXURE 28

MODEL FORMAT FOR PERFORMANCE NOTICE

Registered Acknowledgement Due

To

M/s. ……..
……

Sub: Contract no…… dated……placed on you for supply of ……..

Dear Sirs,

Your attention is invited to the acceptance of tender cited above, according to which suppliers ought to have been completed by you on or before…… In spite of the fact that the time of delivery of the goods stipulated in the contact is deemed to be of the essence of the contract, it appears that …. are still outstanding even though the date of delivery has expired.

2. Although not bound to do so, the delivery date is hereby extended to ……..and you are requested to note that in the event of your failure to deliver the goods within the delivery period as hereby extended, the contract shall be cancelled for the outstanding goods at your risk and cost.

3. ……
4. ……
5. ……
6. ……

Yours faithfully,

(……..)

for……..

…… Details of outstanding goods

iii) But, nevertheless, the purchaser shall be entitled to the benefit of any decrease in price on account of reduction in or remission of custom duty, excise duty, sales tax or on account of any other tax or duty or any other ground whatsoever, including the impact of price variation clause (if incorporated in the contract), which takes place after the expiry of the above mentioned date namely …...

4. You are also required to extend the validity period of the performance guarantee for the subject contract from ……..(existing date) to ……(required extended date) within fifteen days of issue of this letter.

5. Please intimate your unconditional acceptance of this amendment letter, to reach this office within ten days of the issue of this letter, failing which the contract will be cancelled at your risk and expense without any further reference to you.

All other terms & conditions of the contract remain unaltered.

Yours faithfully,

(……..)
for and on behalf of ……..

Copy to:

……
……
……
(All concerned)

….. Original delivery date or the last unconditionally re-fixed delivery date (as the case may be)

NB: The entries which are not applicable for the case under consideration are to be deleted.

ANNEXURE 27

MODEL AMENDMENT LETTER FOR EXTENSION OF DELIVERY PERIOD FOR CONTRACT OTHER THAN FOB/FAS/CIF CONTRACT

Registered Acknowledgement Due

Address of the purchase office

……..
……..
……..

To
M/s. ……..
……

Sub: This office contract no…… dated……placed on you for supply of ……..
Ref: Your letter no……..dated……

Dear Sirs,

You have failed to deliver the goods/entire quantity of the goods within the contract deliver period/delivery period as last extended up to …… In your above referred letter, you have asked for extension/further extension of time for delivery. In view of the circumstances stated in your above referred letter, the time of delivery is extended from ……. (last delivery period) to …… (presently agreed delivery period).

2. Please note that in terms of clause ……..of the contract, a sum equivalent to ……% (…….per cent) of the delivered price of the delayed goods for each week of delay or part thereof (subject to the ceiling as provided in the aforesaid clause) beyond the original contract delivery date/the last unconditionally re-fixed delivery date (as & if applicable) viz. ….. will be recovered from you as liquidated damages.

3. The above extension of delivery date will also be subject to the following further conditions:-

   i) That no increase in price on account of any statutory increase in or fresh imposition of custom duty, excise duty, sales tax or on account of any other tax or duty leviable in respect of the goods specified in the said contract, which take place after ….. shall be admissible on such of the said goods as delivered after the said date.
   ii) That notwithstanding any stipulation in the contract for increase in price on any ground, no such increase, whatsoever, which takes place after …… shall be admissible on such of the said goods as are delivered after the said date.

5. Please intimate your unconditional acceptance of this amendment letter within ten days of the issue of this letter failing which the contract will be cancelled at your risk and expense without any further reference to you.

   All other terms & conditions of the contract remain unaltered.

Yours faithfully,

(……..)
For and on behalf of ……..

Copy to:

……
……
……
(All concerned)

…. Original delivery date or the last unconditionally re-fixed delivery date (as the case may be)

NB: The entries which are not applicable for the case under consideration are to be deleted.

ANNEXURE 26

MODEL AMENDMENT LETTER FOR EXTENSION OF DELIVERY PERIOD FOR FOB/FAS/CIF CONTRACT

Registered Acknowledgement Due

Address of the purchaser

……..
……..
……..

To
M/s. ……...
……

Sub: This office contract no…… dated…… placed on you for supply of ……..
Ref: Your letter no……..dated……

Dear Sirs,

You have failed to deliver the goods/entire quantity of the goods within the contract deliver period/delivery period as last extended up to …… In your above referred letter, you have asked for extension/further extension of time for delivery. In view of the circumstances stated in your above referred letter, the time of delivery is extended from ……. (last delivery period) to …… (presently agreed delivery period).

2. Please note that in terms of clause ……..of the contract, a sum equivalent to ……% (…….per cent) of the delivered price of the delayed goods for each week of delay or part thereof (subject to the ceiling as provided in the aforesaid clause) beyond the original contract delivery date/the last unconditionally re-fixed delivery date (as & if applicable) viz. …….. will be recovered from you as liquidated damages.

3. The above extension of delivery date will also be subject to the further condition that, notwithstanding any stipulation in the contract for increase in price on any ground, no such increase, whatsoever, which takes place after ….. shall be admissible on such of the said goods as are delivered after the said date. But, nevertheless, the purchaser shall be entitled to the benefit of any decrease in price on any ground (including the impact of the price variation clause, if incorporated in the contract), which takes place after the expiry of the above mentioned date namely ……..

4. You are also required to extend the validity period of the performance guarantee for the subject contract from ……..(present validity date) to ……(required extended date) within fifteen days of issue of this amendment letter.

contracts that all booking must be made through Government of India's respective freight forwarders as indicated above and the same may also be incorporated in the letter of credit to ensure shipping arrangements through the vessels of Members of the Conference and appointed freight forwarders.

7. It has been brought to the notice of this Ministry that some of the Public Sector Undertakings are not following the above policy and shipping arrangements are made through other than GoI appointed freight forwarders. It has been further brought to the notice of this Ministry that some of the Indian freight forwarding companies are claiming to have been appointed as freight forwarders by M/o Surface Transport which is not correct. Therefore, it is advised that Government of India and State Government Departments and Public Sector Undertakings should ensure (as indicated above) only and should not entertain any other freight forwarder in this regard.

8. It is requested that the above may kindly be brought to the notice of all the Public Sector Undertakings/projects/purchase and selling organizations under the administrative control of the Ministries/Departments concerned and they may be advised to follow the prescribed procedure for arranging shipment of their cargoes through Chartering wing (Transchart) of this Ministry and incorporate the prescribed shipping clauses in the import/export contracts.

Sd/-
(T.V. SHANBHAG)
Chief Controller of Chartering

To

1. All Ministries/Departments of Government of India ……2 copies
2. The Chief Secretary to all the State Governments

4. Similarly, the Government of India has another agreement with India – Pakistan Bangladesh Conference (IPBC) covering the trade from ports in the United Kingdom including Northern Ireland, North Continent of Europe (Germany, Holand, Belgium, Norway, Sweden, Denmark, Finland) and from parts on the continental sea boards of the Mediterranean (ie., French and Western Italian Port) to ports in India. It is obligatory on the part of Government to ship all Government liner cargoes through the vessels belonging to this Conference.

5. In order to ensure smooth and timely shipment of governmental general liner cargoes, the Government of India, Ministry of Surface Transport has appointed freight forwarding agents from various areas as mentioned below:

    1. M/s. Schenker International Deutschland GmbH
       Postfach 11 03 13, 20403 Hamburg
       Dei den Muhren 5, 20457 Hamburg
       Tel: (040) 36135-537, Fax: (040) 36135-509, Tlx: 21700 sh d
       (In respect of government general liner cargoes emanating from UK/North Continent as indicated in para (2) above).
    2. M/s. OPT Overseas Project Transport Inc.,
       (A Thyssen Haniel Logistic Co.)
       46, Sellers St., Kearny, N.J. 07032, USA
       Tel: (201) 998 771, TLX: 673-3586, Fax: (201) 998 7833
       (In respect of cargoes emanating from US Gulf, Canada & South America)
    3. Embassy of India
       2-11, Kudan Minami 2 – Chome, Chiyoda-ku, TOKYO 102
       Tlx: 2324886, INDEMB J, Phone : 03 (3262) 2391, Fax: 03 (3234) 4866
       (In respect of government general liner cargoes emanating from Japan)
    4. Embassy of India
       San-2-1, Bokwang-Doong, Youngsan-ku (Heband Bewling Centre)
       Seoul, South Korea (CABLE IND EMBASSY, SEOUL, SOUTH KOREA)
       Telex: K211641, Tele. 793-4142, 704159
       (In respect of cargoes emanating from South Korea)
    5. Shipping Corporation of India Ltd.
       Shipping House, 245, Madame Cama Road, Mumbai
       Tlx: 011 2214/2371 SCI IN), Phone: 2026666, 2026785
       (In respect of cargoes being shipped from all other areas which are not covered from (1) to (4) above).

6. In order to ensure compliance with the transportation agreement with INDPAKCON, IPBC, M/s Opt, USA and M/s Schenker International, Hamburg, all the Public Sector Undertakings, Projects are requested to prescribe in their purchase

ANNEXURE 25

GOVERNMENT OF INDIA
MINISTRY OF SURFACE TRANSPORT
(Chartering Wing)

No.SC – 18013/1/98-ASO.II New Delhi, the 11th February, 1998

OFFICE MEMORANDUM

Sub: Govt. Departments/Public Sector Projects/Undertakings Contracting of FOB/FAS import and CIF exports – shipping arrangement through the Ministry of Surface Transport (Chartering Wing) from various sectors – procedure regarding.

1. The undersigned is directed to say that as per general policy of Government of India, all import contracts have to be concluded on FOB/FAS and those for exports on CIF basis in respect of Government owned and controlled cargoes and shipping arrangements are centralized with Chartering Wing of Ministry of Surface Transport. For any departure from the above policy, prior approval of this Ministry is required. The policy provides for grant of waivers in suitable cases where it is found it is not possible to follow the said policy.

2. The shipping arrangements are being made by Chartering Wing, Ministry of Surface by using Indian flag vessels and if no suitable Indian vessels are available in the required position, foreign flag vessels are chartered. Shipping arrangements in respect of Government general liner cargoes are being made by this Ministry through respective Government of India's freight forwarders like M/s. Schenker International, Humburg, M/s. OPT, USA etc. Shipment of general liner cargo is not restricted to Indian flag vessels and it is shipped by any vessel belonging to Conference member lines which are operating from various sectors.

3. The Government of India has an agreement with India-Pakistan-Bangladesh-Ceylone and Burma Freight Conference (INDPAKCON) FMC Agreement No.7690) covering the trade from US Atlantic and Gulf ports to India through the vessels belonging to the Member lines of this Conference only and as per the agreement all Government of India/State Government Departments/PSUs/Projects cargoes are to be shipped only through the vessels of Member Lines belonging to this Conference.

particulars like weight, volume, loading port, discharging port, loading rate, discharging rate, period of shipment, parcel size and any other specific condition relating to shipment of cargoes etc., to this Ministry as soon as the same are finalized, for taking further necessary action with regard to the shipping arrangements.

4. A copy of the instructions issued may please also be endorsed to this Ministry.

Sd/-
(T.V. SHANBHAG)
Chief Controller of Chartering

To

1. All Ministries/Departments of Government of India ……2 copies
2. The Chief Secretary to all the State Governments including the Union Territories

through the Ministry of Surface Transport (Chartering Wing) in association with the concerned user Ministry/Department/PSU may continue.

ii) Prior permission is required to be obtained from Ministry of Surface Transport on a case to case basis in case of any departure from the above policy. However, Ministry of Surface Transport shall ensure disposal of such requests within four working days on receipt of the complete information/request from the concerned Ministry/PSU.

iii) Ministry of Surface Transport, Chartering Wing to ensure full utilization of suitable Indian vessels in case they are able to meet the indentor's requirements at competitive rates and are able to maintain the schedule.

iv) In case of import of bulk quantities like fertilizers, coal, food grains etc., where freight element is substantial, a representative from Ministry of Surface Transport may be invited to participate in the discussions for advising on the shipping aspects of import/export contracts.

v) Ministry of Surface Transport should make all out efforts to finalise vessels, Indian or foreign, at the most competitive rates and before fixing the vessels, prior approval of the indenting department/PSU should be obtained.

vi) In order to make imports and exports cost-effective and for judicious use of foreign exchange, Ministries/Departments should ensure imports on FOB/FAS and exports on CIF basis failing which necessary No Objection Certificate (NOC) should be obtained from Ministry of Surface Transport (Chartering Wing) while applying for release of necessary foreign exchange for the purpose of chartering foreign vessels and for making freight payment in foreign currency.

vii) The tendering system to be followed by Ministries/Departments/PSUs will be standardized. The Cabinet Secretariat will initiate appropriate action in this regard.

3. It is requested that above decision taken by the Government of India may kindly be brought to the notice of all the Public Sector Undertakings/Projects/Autonomous Bodies/Purchasing & Selling Organisations under the administrative control of Ministries and Departments concerned and they may be advised to follow the prescribed procedure for arranging shipment of their cargoes through Chartering Wing (popularly known by its Cable Address: "TRANSCHART" in the shipping circle, the world over) of this Ministry and incorporating the prescribed Shipping Clauses in the purchase orders/contracts. They may also be instructed to send each of the contracts in respect of both exports as well as imports, along with cargo

ANNEXURE 24

GOVERNMENT OF INDIA
MINISTRY OF SURFACE TRANSPORT

No.SC – 11011/1/94-ASO.II/Vol.III New Delhi, the 27th February, 1996

OFFICE MEMORANDUM

Sub: Ocean transportation of cargo under the control of Government/Public Sector Undertakings – Review of the Policy regarding.

The undersigned is directed to say that as per the existing policy of Government of India all import contracts are to be finalized on FOB (Free on Board)/FAS (Free Alongside Ship) basis and those for exports on C&F (Cost and Freight)/CIF (Cost, Insurance, Freight) basis in respect of Government owned/controlled cargoes on behalf of Central Government Departments/State Government Departments and Public Sector Undertakings under them and in case of any departure therefrom, prior permission is required to be obtained from the chartering Wing of the Ministry of Surface Transport on a case to case basis. The shipping arrangements are centralized in the Ministry of Surface Transport. These instructions about FOB/FAS purchases and C&F/CIF sales and entering into contracts where the elements of foreign exchange expenditure is minimum already stand incorporated in the General Financial Rules of the Government.

2. Based on the difficulties/problems, as intimated by certain Government Departments/Public Sector Undertakings in the changed context of economic liberalization, the thrust on performance improvement and competitiveness of Public Sector Undertakings, decentralization of certain cargoes, Government has undertaken a thorough review of the above policy at various levels and it has now been decided by the Government that :-

i) Government policy for import contracts to be finalized on FOB/FAS basis and for exports on CIF basis in respect of Government owned/controlled cargoes on behalf of Central Government Departments/State Government Departments and Public Sector Undertakings under them and centralized shipping arrangements

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 ad 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)

(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.

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.

(a) 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 of ……...days/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 of …….days/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.

ANNEXURE 23

FORM OF AGREEMENT

(For contracts for supply of specific quantities)

AGREEMENT executed ……..day of ……between (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 ₹…….. being per 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 on ……..Bank 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

List of materials accepted and to be supplied

Item No.	Specifications	Quantity	Unit	Rates		Remarks
				Rs.	Ps.	
1	2	3	4	5		6

N.B: The specifications, quantities, price, etc., are subject to correction. Errors or omissions, if any, will be intimated to or by the contractor within ten days from this date.

…….. Cheques are not acceptable. The Security Deposit may be made in cash also and in such cases the cash should be remitted in the nearest Government Treasury under 'Security Deposit' account by Chalans countersigned by the Purchasing Officer.

Yours faithfully

(Signature and Designation of Purchasing Officer)

Special Conditions ……

……

……

Notes

1. The packages should be marked …… meaning ……..……
2. They should be insured to destination viz……
3. They should be despatch FREIGHT PAID TO …… ……..…….. To whom all shipping/ railway documents should be sent.
4. The materials shall be dispatched by goods train. If this is found not possible the prior approval of the officer mentioned in clause 6 below is to be obtained before despatch by passenger train.
5. The contents of the packages should be STRICTLY CONFINED to this order.
6. INVOICES IN TRIPLICATE SHOULD BE DRAWN ON AND FORWARDED FOR PAYMENT TO ……..
7. Acknowledgement of and all other communications regarding this order may be sent to the purchasing officer who has placed this order.
8. In all future correspondence and bills relating to this order the number and date at the top should INVARIABLY be quoted.
9. SEPARATE BILLS SHOULD BE SENT FOR EACH ORDER
10. The consignment will be paid for only AFTER RECEIPT AND SURVEY of the articles by the Department.
11. The firms will produce stamped pre-receipt invoice in all cases where payments (advance/final) for release of railway receipt/shipping documents are made through Banks. In exceptional cases where the stamped receipts of the Firms are not received for the payment (in advance) the unstamped receipt of the bank (i.e. counterfoils of pay-in-slip issued by the Bank) alone may be accepted as a valid proof for the payment made.

ANNEXURE 22

FORM OF SUPPLY ORDER

SUPPLY ORDER
GOVERNMENT OF KERALA

No.	Office:
Station:	Date:
Telephone/Fax:	Post Box No.

From

To

Subject:

Reference:

Dear Sirs,

Your offer to supply the materials as detailed in the list appended is accepted subject to the conditions mentioned therein. Please effect the supply according to the special conditions given below, the instructions in the notes below and in accordance with the list of materials appended. The special conditions, if any, printed on your quotation sheets or attached with your tender will not be applicable to this order unless they have been expressly accepted in the list appended.

An agreement has to be executed by you in the prescribed form on stamp paper of value rupees fifteen purchased in the Kerala State after furnishing a security of ₹…… within a month/fortnight for the due fulfillment of the contract. The Kerala Stamp paper is obtainable from any licensed Vendor in the State. Stamp paper will however be supplied to you, if your firm is situated outside Kerala, on payment of ₹ 20 (₹ 15 being the value of the Stamp Paper and ₹ 5 incidental charges) Which may be remitted by money order in advance. Payment on account of supplies against this order is liable to be withheld until the agreement is executed. The earnest money will be refunded on furnishing the required Security Deposit for the contract. Bank draft for the security should be drawn in favour ……

31) Father's brother
32) Father's sister
33) Mother's brother
34) Mother's sister
35) Father's sister's husband
36) Father's brother's wife
37) Mother's brother's wife
38) Mother's sister's husband
39) Brother's son
40) Brother's son's wife
41) Brother's daughter
42) Sister's son
43) Sister's daughter
44) Father's brother's son
45) Father's brother's daughter
46) Father's sister's son
47) Father's sister's daughter
48) Mother's brother's son
49) Mother's brother's daughter

ANNEXURE 21

EXTRACT FROM THE COMPANIES ACT, 1956

Meaning of "Relative"

A person shall be deemed to be a relative of another if, and only if,

a) they are members of Hindu undivided family or;
b) they are husband and wife; or
c) the one is related to the other in the manner indicated in Schedule 1-A

Schedule 1 A
List of Relatives

1) Father
2) Mother (including step-mother)
3) Son (including step-son)
4) Son's wife
5) Daughter (including step-daughter)
6) Father's father
7) Father's mother
8) Mother's mother
9) Mother's father
10) Son's son
11) Son's son's wife
12) Son's daughter
13) Son's daughter's husband
14) Daughter's husband
15) Daughter's son
16) Daughter's son's wife
17) Daughter's daughter
18) Daughter's daughter's husband
19) Brother (including step-brother)
20) Brother's wife
21) Sister (including step-sister)
22) Sister's husband
23) Husband's father
24) Husband's mother
25) Husband's sister
26) Wife's father
27) Wife's mother
28) Wife's brother
29) Wife's sister
30) Wife's sister's husband

32. Bronze rods
33. Nickel alloy
34. Gun metal rods
35. Solder
36. Nickel
37. Lead pipes etc.
38. Lead seals
39. Link and strap clips
40. Paper insulated cables
41. A.C.S.R. Conductors
42. Winding Wire
43. Renewals for Cells like Zinc Rod
44. Plates, Boiler, Copper
45. Non-ferrous loco and Wagon Components such as Brass safety valves, Bearing bushes, Bronze Axles boxes wherein materials like Bronze, Nickel, Copper are involved and copper fire boxes where copper is involved.

ANNEXURE 20

LIST OF STORES ON THE COST OF WHICH VARIATIONS ARE TO BE ALLOWED

1. Copper and lead used in the manufacture of power cables
2. V.I.R. cables
3. Railway signaling cables
4. Copper strip for overhead transmission line equipment
5. Shunt and clip for traction motor
6. Hard draw high conductivity electrolytic copper wire
7. Bush bars
8. Brass tubes
9. Copper tracks
10. Brass split pins
11. Copper sheets
12. Brass sheets
13. Rivets copper
14. Brass bolts and nuts
15. Copper washers
16. Weighing Machines, Weighing bridge
17. Zinc for galvanizing
18. Aluminium ingots
19. Antimony ingots
20. Brass bars
21. Copper bars
22. Copper ingots
23. Copper tubes
24. Pig lead
25. Lead sheets
26. Phosphor bronze
27. Phosphor sheet
28. Zinc ingots
29. Zinc sheets
30. Tin ingots
31. White metal ingots

386 Standard wood oil
387 Screw Drivers
388 Screw spikes
389 Scales – weighing
390 Sealing wax
391 Seats for buses and trucks
392 Seed bins
393 Seasoned wood
394 Set square
395 Spanners
396 Sports nets – all types
397 Soap carbolic
398 Spices guard & processed
399 Spoons-cutlery
400 Shovels
401 Stand-cycle
402 Sterilisers-Stainless steel and aluminium
403 Stone ware jars and bowls – Kandies
404 Sweetened cashew nut products
405 Table knives/household knives
406 Tin trays
407 T-Squares
408 Trays for postal use
409 Wax candle
410 Water proof bags
411 Water proof covers
412 Weighting machine/Weigh bridges
413 Wire fencing and fittings
414 Writing inks and fountain pen inks
415 Woolen socks-knitted
416 Woolen vests-knitted
417 Woolen under garment-knitted

RCC pipes upto 1200 mm diameter

Note:-1 Even though the RCC pipes upto 1200 mm diameter is included in the above list, the Public Works Department and the local bodies in the State will purchase 50 percent of their requirement of pipes of the type manufactured by the Kerala Premo Pipe Factory Ltd., from the above factory and the rest from S.S.I. Section in Kerala.

Note:-2 Even though the AC Conductors upto and including 19 strands is included in the above list all State Government Departments, Kerala State Electricity Board and other State Public Sector Undertakings in the State may purchase their requirements of the item from Micro and Small Enterprises Units in the State as well as from Traco Cable Company Ltd.

Note:-3 Even though the items, Fuse units, Fuse cutouts, Distribution Boards (upto 15 amps) Iron Clad Switches (upto 30 amps) and Metal Clad Switches are included in the above list, all State Government Departments, Kerala State Electricity Board and other Public Sector Undertakings in the State may purchase their requirements of the items from Small Scale Industries Unit in the State as well as from Kerala Electrical and Allied Engineering Co. Ltd.

335 Lemon grass oil
336 Letter boxes-Round
337 Link Clip
338 Luggage carrier
339 Machine screws-except socket lead and special types
340 Measuring chains
341 Measuring tapes and sticks
342 Microcellular sheets
343 M.S. and CI glanges
344 M.S. Pipe fittings upto 100 mm dia
345 M.S Tubers
346 Mudguards-Bicycle
347 Mugs and bowls – Ceramics
348 Nail pullers
349 Naphthalene Balls
350 Non-mechanical toys
351 Office gum paste
352 Oil seals rubber
353 Other dipped latex products except contraceptives
354 Other natural essential oils
355 Other hand tools for blacksmithy, Carpentry, Hand forgings foundry etc.
356 Paint brushes
357 Panel pins
358 Paper tapes – Gummed
359 Paper twines, stringes and ropes
360 Poultry equipments
361 Pencils
362 Pedale assembly – cycle
363 Pickles and chutnees
364 Pilfer proof caps
365 Plastic buttons
366 Plastic combs
367 Plastic bottle caps
368 Plastic products (other thermo welded plastic products)
369 Plywood tea chest
370 Protractors
371 RCC Poles-Pre-stressed
372 Rivets of all types including bifurcated
373 Roof light fittings
374 Roofing tiles
375 Rolling shutters
376 Rubber card
377 Rubber Hoses – Armoured (unbraided)
378 Rubber Battery containers (hard)
379 Rubber Hose Pipes (excepting wire braided high pressure hydraulic process)
380 Rubbersied canvas hose pipes – excepting wire braided high pressure hydraulic process
381 Rubber thread
382 Rubber tubes
383 Rubber washers
384 Safe-Meat and milk
385 Safety matches

283 Cotton sling
284 Cotton straps
285 Cotton socks-Knitted
286 Cotton under garments – Knitted
287 Cotton vests-Knitted
288 Crow bars
289 Cupric nitrate-Laboratory Reagent
290 Cycle frames
291 Disinfectant fluid
292 Dividers
293 Door windows and ventilators – Metallic
294 Drawing Board
295 Drawing and mathematical instruments except drafting machines
296 Drinking water straws
297 Dry distempers
298 Dumpy levels
299 Emergency lamps
300 Fibre glass-Reinforced plastic products
301 Fire clay bricks and blocks
302 Fire works
303 Floor polishes
304 Flooring tiles
305 Forks cutlery
306 Fork handles – Cycles
307 Funnels
308 Fuse cutouts
309 Fuse units
310 Glass beads
311 Glass hallow wears by month blown/semi-automatic process
312 Graphite crucibles upto 500 nos
313 Hair oils
314 Hammers
315 Hand shovels
316 Handle bar grips
317 Handle-Bicycle
318 Haver sacks
319 Heaters and convectors upto 3 K.W.IS 4283/67
320 Helmet-Non-metallic
321 Hinges (other than door fittings)
322 Hose pipe clips (50% reservation)
323 Hot water bags-Rubber
324 Hurricane lantern
325 Ice bags-Rubber
326 Iron-dhobi
327 Industrial knives
328 Industrial leather gloves
329 Industrial adhesives based on starch, gum dextrine and silicates
330 Insecticide fluids
331 Industrial Items from Engineering Plastics
332 Immersion water heaters upto 3 K.W.
333 Kattai and bunwar-Leather
334 Laminations-Straight and sand witched

236 Chaff Cutter Blade
237 Agricultural Implements
a) hand operated tools and implements
b) Animal driven implements

238 Blow Moulded Containers
239 Safety Pins (and other similar products like paper pins, staple pins etc)
240 A.C. Conductors-upto and including 19 strands
241 Adjustable beds
242 Agarbathies
243 Alums including Aluminium Sulphate-Industrial-Grade (deleted)
244 Aluminium builders and hardware hinges
245 Ambulance Stretcher
246 Alunimum Sulphate-Laboratory Reagent
247 Ammonium Carbonate – Laboratory Reagent
248 Ammonium Sulphate – Laboratory Reagent
249 Ammonium Fluride – Laboratory Reagent
250 Ammonium Solution – Laboratory Reagent
251 Asbestos pipes and fittings for household purpose only and according to ISI specification
252 Battery Eliminators
253 Badges-Cloth (including embroidered)
254 Bells-Bicycles
255 Biscuits
256 Boxes-Kit
257 Builders Hardware
258 Cable drums
259 Calcium Chloride-Laboratory Reagent
260 Camel back-tyre retreading material
261 Capital square
262 Carrier-Bicycles
263 Cashew shell oil
264 Chalks including tailors chalk and crayons
265 Chain covers-Bicycle
266 Chisels
267 Chokes for light fittings
268 Chrome tanned leather (semi finished)
269 Circlips
270 Cloth covers
271 Cocks and valves – Water pipe fittings
272 Coffee percolator up to 1.5 litres
273 Confectionary (except chocolate)
274 Compass prismatic
275 Collars
276 Cotton belting
277 Cotton cases
278 Cotton packs
279 Cotton pouches
280 Cotton carriers
281 Cotton bags
282 Cotton canvas bag

193 Tarpaulins (for civil requirements only)
194 Teak fabricated round blocks
195 Tent poles
196 Tentage Civil/Military and Salitah Jute for Tentage. The first refers to Tentage for civil or military use and the second refers to Salitah Bags and Sheets for packing Military Tents and Accessories)
197 Tip boots
198 Tin trays
199 Tyres and tubes (Cycle)
200 Tiles
201 Toilet rolls
202 Transistor insulation testers
203 Umbrellas
204 Utensils aluminium
205 Utensils cooking (except stainless utensils and vessels pressure cookers) (for civil requirements only)
206 Utensils domestic (other than aluminium and stainless steels)
207 Wooden chairs
208 Waxed paper
209 Waterproof papers
210 Washers-leather
211 Welded wire mesh
212 Wheel barrows
213 Wicks cotton (for civil requirements only)
214 Wire adjusting screws
215 Wire nails and horse shoe nails
216 Wooden halves
217 Wooden packing cases of all sizes (for civil requirements only)
218 Wood wool
219 Woolen hosiery (for civil requirements only)
220 Electric transmission line hardware like steel crossbars, cross arms, clamps, arching harm, brackets, etc.
221 Domestic (house wiring) PVC cables and wires (aluminium) conforming to the prescribed ISI specifications and upto 10.00 mm sq. nominal cross section. However, this would not be applicable to Defense requirements.
222 Angur (Carpenters)
223 Wire netting and Gauze thicker than 100 mesh size
224 Steel Windows and Ventilators
225 M.S. Plain Washers
226 Wire Brushes and Fibre Brushes
227 AAC and ACSR conductors up to 19 strand. This is subject to observance of necessary discipline by trade for two years in the first instance after which the position would be revived further
228 Exhaust Mufflers (except in the case of original Equipment Manufacturers)
229 Wind Shield Wipers (Arms and Blades only) (except in the case of original Equipment Manufacturers)
230 Room Coolers (Desert Type)
231 Machine Shop Vices
232 Hypodermic Needles
233 Student Microscope
234 Stranded Wire
235 Absorbent Cotton (Wool)

145 Pumps-hand
146 PVC footwear
147 Quilts, razaise (cotton)
148 Bags cotton (for civil requirements only)
149 Railway platform drinking water trolleys (for civil requirements)
150 Razors
151 Rivets of all types including bifurcated (except for defence requirements)
152 Soap soft (for civil requirements only)
153 Soap Liquid (for civil requirements)
154 Soap yellow (for civil requirements)
155 Sanitary towels
156 Storeware jares
157 Scientific laboratory glasswares (barring sophisticated items)like beakers, burette, pipette, conical glasses, round flasks, measuring cylinder, filter funnel, reagent bottle
158 Squiral cage induction motors upto and including 10 KW 440 Volts 3 phase
159 Scales beam (upto 30 Kgs)
160 Scissors cutting (ordinary scissors)
161 Screws machine
162 Screws wood (except for defence requirement)
163 Shellac
164 Shutters rolling
165 Shelve steel
166 Shoe laces
167 Sign boards-painted
168 Skin sheep – all types (for civil requirements only0
169 Silk ribbons
170 Skiboots and shoes
171 Snap fasteners (excluding for pcs.onse)
172 Sole leather (for civil requirements only)
173 Sodium silicate
174 Sanitary plumbing fittings (1. Toilet shelf, 2. Soap tray, 3. Robe hook, 4. Towel rail, 5. Toilet paper holder, 6. Laboratory sink, 7. Drawing board, 8. Mosaic washbasin, 9. Wall hung closet, 10. Wall hung bidet, 11. Taps, 12. Stop cock, 13. Knob, 14. Scout, 15. Waste bottle, 15. Ball cock, 17. Ball mixer, 18. Bath shower)
175 Soap washing or laundry soap (for civil requirements only)
176 Sockets
177 Spectacle frames
178 Spiked boots
179 Stapling machines
180 Steel desks
181 Steel racks
182 Steel stools
183 Steel trunks (for civil requirements only)
184 Steel wool
185 Stockimetta (for civil requirements only)
186 Stone curry and stone curry roller
187 Stoves oil (wick stoves only)
188 Street light fittings
189 Suit cases
190 Surgical gloves (except plastic
191 Tracks (mettallics)
192 Tape cotton(for civil requirements only)

94 Hob nails
95 Holdalls
96 Horse and mule shoes
97 Insecticides dust and sprayers (Manual only)
98 Invalid wheeled chairs
99 Iron clade switches (upto 30 amps)
100 Keys wooden
101 Kit bags
102 Kodali
103 Kullahs
104 L.T. Porcelain insulators Fuse Grip
105 Laces leather
106 Lanterns Posts and bodies
107 Latex form sponge
108 Lathies
109 Lamps hand
110 Lamp signal
111 Lamp holders
112 Leather bags
113 Leather boxes (not Army type)
114 Leather harness
115 Low cost radios (Medium wave band community rado receivers to Indian Standard Specification No. Sl.705-1955, IS. 706-1955 and IS. 1036-1957)
116 Magnesium sulphate
117 Metal clad switches
118 Mail bags, canvas, dassouti and jute
119 Manhole covers
120 Matches safety (except for defense)
121 Metal polish
122 Metric weights
123 Miniature bulbs (for torches only)
124 Nail cutters
125 Nail tip heal rustless
126 Newer (other than defense)
127 Ovens electric (domestic type)
128 Plastic cane
129 Playing cards
130 Pad locks, brass
131 Pad locks, G.I.
132 Paints remover
133 Palm rosa oil
134 Paper conversion products
135 Patient coats and pyjama
136 File fabric
137 Pillows (cotton)
138 Plaster of Paris
139 Plugs
140 Plugs-wooden
141 Polythene bags
142 Postal lead seals
143 Postal weighing scales
144 Pouches

43 Coir fibre and coir yarn
44 Coir mattresses and cushions
45 Coir mattress and matting
46 Community receivers
47 Cones and Valves (for water fitting only)
48 Conduit pipes (Metallic)
49 Copper sulphate
50 Cotton card twine (other than Defence)
51 Cotton wool (Non-absorbent)
52 Cotton Hosiery (civil requirement only)
53 Crates wooden
54 Cumblies
55 Curtain mosquito (civil requirement only)
56 Copper napthenate
57 Corrugated board paper
58 Centrifugal pumps, suction and delivery 150mm x 150mm
59 Crucibles upto and including 31 kg. capacity
60 Domestic electric appliances, toasters electric, electrical iron, hot plate, electric mixer and grinder, juice mixer and grinder, juice extractor, electric lighter, electric oven
61 Distribution boards upto 15 amps
62 Drums and barrels
63 Dusters cotton all types except the items required in Khadi
64 Dust bins (civil requirements only)
65 Dust shield leather
66 Electric call bell
67 Electric buzzers
68 Electric soldering irons
69 Expanded metal
70 Eyelets
71 Film spools and cans
72 Film polythene
73 Football boots
74 French polish
75 Garments (civil requirement only)
76 Gas mantles
77 Gause cloth
78 Gauze surgical all types (civil requirements only)
79 Ghamellas (civil requirements only)
80 Glass ampoules
81 Graphite crucibles upto No. 200 (deleted)
82 Grease nipples and grease guns
83 Gun cases
84 Gun metal bushes
85 Glue
86 Gum tape
87 Hand drawn carts all types (civil requirements only)
88 Hand numbering machines
89 Handless wooden and bamboo
90 Hair passum wool
91 Hand gloves
92 Hand presses
93 Hide and country leather or all types (for civil requirements only)

ANNEXURE 19

LIST OF ITEMS RESERVED FOR EXCLUSIVE PURCHASE FROM THE MICRO, SMALL & MEDIUM ENTERPRISES

A list of items reserved for procurement from the Micro, Small & Medium Enterprises within the State and if not available within the State, from the Micro, Small & Medium Enterprises outside the State is given below:-

1 Anklets Web Khaki
2 Ammunition Boxes Wooden
3 Attache Cases
4 Automobiles Headlight
5 Automobiles tail light, lamp assembly (for civil requirement only)
6 Ammeters/cum metre
7 Battery Charger Engine Driven only (for civil requirement only)
8 Blotting paper
9 Badges, cloth, embroidered and metal
10 Bags ice head (civil requirement only)
11 Balloons rubber
12 Barbed wire (excepting concertina, Barbed wire square Hexagonal Head)
13 Basket cane
14 Bath Tub G.I.
15 Belt Leather
16 Belt leather and strips
17 Bench Vices (ordinary)
18 Bensol Benet's
19 Blacksmith Hearth
20 Bone Meal
21 Boots and Shoes of all types excluding canvas shoes (civil requirement only)
22 Boot polish
23 Boxes made of metal (civil requirements only)
24 Boxing boots
25 Brass dampers
26 Brief cases
27 Brooms
28 Brushes
29 Buckle
30 Button metal
31 Buckets G.I.
32 Cans (made of G.I. sheet of Milk and measuring) 3
33 Cans Tin unprinted upto 4 gallon capacity (other than cap OTS)
34 Cash Bags
35 Caps woolen
36 Caps cotton
37 Caps waterproof
38 Casing and capping
39 Ceiling roses upto 15 amps
40 Centrifugal steel plate blowers
41 Chain lashing
42 Chappals and sandals

ANNEXURE 18

FORM OF REGISTER OF TENDERS

(K.F.C. Vol. II, Form 15)

Number and name of Tender/Quotation…… Due date……

Sl. No.	Name of Tender	Due Date	Date of Receipt	Initials of Head of Office	Date of Opening	Amount and nature of earnest money if any	Initials of Head Office

Names of tenderers or their representatives present at the time of opening

Signature of Head of Office

ANNEXURE 17

SUPPLEMENTAL AGREEMENT

SUPPLEMENTAL AGREEMENT executed on …… day of …… between …… (hereinafter called the "the Contractor") of the one part and the Governor of Kerala (hereinafter called "the Government") of the other part.

WHEREAS the contractor has offered as per the letter No……dated……..to extend the period of the existing 'rate contractor' for the supply of articles mentioned in the order no……..dated…… at the same rates terms and conditions of the existing agreement executed between the aforesaid parties on the …….. (hereinafter called the principal agreement) for a further period of …… from ……to ……

AND WHEREAS the Government have in their order dated …… agreed to extend the period of the principal agreement for a further period of …….. from ……. to ……..

NOW THESE PRESENTS WITNESS AND IT IS HEREBY MUTUALLY AGREED between the Government and the contractor to extend the period of the principal agreement for further period of …… from …… to …… on the same terms and conditions enumerated in the principal agreement.

Save as varied as aforesaid all the terms and conditions of the principal agreement shall remain in full force and effect.

IN WITNESS WHEREOF the contractor and Shri…… (here enter the name and designation) for and on behalf of the Governor of Kerala hereinto set their hands.

Signed, sealed and delivered by Shri……..for and behalf of the contractor.

In the presence of witnesses

1…….

2…….

Signed, sealed and delivered by ……..(here enter the designation) for and on behalf of the Governor of Kerala.

In the presence of witnesses:

1…….

2…….

ANNEXURE 16

LIST OF GOVERNMENT OWNED MANUFACTURING INSTITUTIONS

1. State Government Departments manufacturing products for sale
2. Fully State Government owned companies
3. Government Companies (State)
4. Companies where the Kerala State Industrial Development Corporation holds 51 per cent or more of the share capital.
5. Companies where the Government and Kerala State Industrial Development Corporation together held more than 51 per cent of the share capital, and
6. Government Industrial Units transferred to Kerala State Small Industries Corporation, viz.
   - (i) Service Workshops, Ollur (Service Scheme)
   - (ii) Wood Workshops, Kozhikode (Service Scheme)
   - (iii) Ceramic Service Centre, Mangattuparambu (Service Scheme)
   - (iv) Straw Board Factory, Perumala
   - (v) Kerala Water Proof Products (Holdal Unit), Pappanamcode
   - (vi) Pressure Die Casting Unit, Pappanamcode
   - (vii) Government Instrument Workshop, Pappanamcode
   - (viii) Small Industries Machine Tool Factory, Pappanamcode
   - (ix) Tile Factory, Amaravila
   - (x) Wood Workshop, Kollakadavu

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 uncancelled 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 of …….. one thousand……for …… Bank Limited

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 …….. and …… for …… (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 ₹…… [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 ₹…….. (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 ₹ ……(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

ANNEXURE 15

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 of ……. for 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

ANNEXURE 14

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.

ANNEXURE 13

PROCEDURE FOR UTILIZING THE SERVICES OF THE INDIAN STANDARDS INSTITUTION

There is a system whereby the Indian Standards Institution, New Delhi issue licenses to approved manufacturers for the I.S.I Certification mark to be used in their manufacture as a stamp that they are approved quality. It is assumed that in such cases the goods bearing I.S.I mark would conform to the standard specification of the Indian Standards Institution. In accordance with the agreement between he Indian Standards Institution and the licensees it is obligatory that they (the licensees) should replace free of cost all I.S.I. marked products which are found to be sub-standard at the user's end. Therefore, if any complaint is brought to their notice they would make the organization to replace the stocks by materials of standard quality free of cost. However in order for the I.S.I. to take effective action the information in regard to the quality of the I.S.I. marked material should be sent soon after the receipt of the materials. It is suggested therefore that full advantage should be taken of the good offices of the Indian Standards Institution and in the case of I. S. I. marked goods where they are not of standard quality, it should be promptly reported to the Indian Standards Institution by the concerned Departments through Government.

The I. S. I. periodically publish the list of manufacturers holding valid licenses to use their Certification marks showing the products for which the licenses are granted.

ANNEXURE 12

FORM OF SHORT TENDER NOTICE

No. …….. Department: ……

Sealed tenders are invited for the supply of the following stores:

(Here mention the stores briefly with quantity and wherever possible quality also.)

The envelopes containing the tender should bear the superscription "……" and should be addressed to (H. E. Designation of Purchasing Officer).

Last date for receipt of tenders will be …… Late tenders will not be accepted. The tenders will be opened at …….. on ……..…….. in the presence of such of the tenderers or their authorized representatives who may be present at that time.

Intending tenderers may, on application to the (H.E. Designation of the Purchasing Officer) obtain the requisite tender forms on which tenders should be submitted. Application for the tender form should be accompanied by a cash remittance of ₹ …….. which is the price fixed for a form/set of forms and which is not refundable under any circumstances. The tender forms are not transferable. Sale of tender forms will be closed at …… on ……. Cheques, postage stamps, etc., will not be accepted towards the cost of forms, nor will the forms be sent per V.P.P. Duplicate tender forms, if required will be issued at ₹ …….. per copy.

Place:
Date: (Name and Designation of Issuing Officer)

ANNEXURE 11

FORM OF SHORT QUOTATION NOTICE

No. …….…… Department: ……..

Sealed quotations are invited for the supply of the following stores:

(Here mention the stores briefly with quantity and wherever possible quality also.)

The envelopes containing the quotation should bear the superscription "……" and should be addressed to (H. E. Designation of Purchasing Officer). Intending tenderers may submit the quotations on their own papers.

Last date for receipt of quotations is …… Late quotations will not be accepted. The quotations will be opened at …….. on …… in the presence of such of the tenderers or their authorized representatives who may be present at that time. The maximum period required for delivery of the articles should also be mentioned.

Details of the requirements and the conditions governing their supply can be obtained free on request from (H.E. Designation of Purchasing Officer) till ……..……

Place:
Date: (Name and Designation of Issuing Officer)

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 poor 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)

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.

ANNEXURE 10

FORM OF QUOTATION 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.

45 The Secretary, Land Board, Thiruvananthapuram
46 The Controller of Legal Metrology, Thiruvananthapuram
47 The Director, Local Fund Audit Department, Thiruvananthapuram
48 The Transport Commissioner, Motor Vehicles Department, Thiruvananthapuram
49 The Director, Urban Affairs Directorate, Thiruvananthapuram
50 The Director, Museum & Zoo Department, Thiruvananthapuram
51 The Director General, N.C.C. (K&L), NCC Directorate, Thiruvananthapuram
52 The Director, National Savings Department, Thiruvananthapuram
53 The Director, Panchayat Department, Thiruvananthapuram
54 The Director General of Police, Thiruvananthapuram
55 The Director of Printing, Government Central Press, Thiruvananthapuram
56 State Librarian, Public Library, Thiruvananthapuram
57 The Chief Engineer, (Roads & Bridges), P.W.D., Thiruvananthapuram
58 The Chief Engineer, (Bldgs. & Local Works) P.W.D., Thiruvananthapuram
59 The Chief Engineer (National Highway & Admn.), P.W.D., Thiruvananthapuram
60 The Chief Engineer (DRIQ Board, Thiruvananthapuram)
61 The Chief Architect, Public Works Department, Thiruvananthapuram
62 The Director, Scheduled Caste Development Department, Thiruvananthapuram
63 The Director, Social Welfare Department, Thiruvananthapuram
64 The Director, State Water Transport Department, Alappuzha
65 The Controller of Stationery, Thiruvananthapuram
66 The Director, Survey & Land Records Department, Thiruvananthapuram
67 The Chief Town Planner, Town & Country Planning Department, Thiruvananthapuram
68 The Director, Tourism Department, Thiruvananthapuram
69 The Director, Treasuries Department, Thiruvananthapuram
70 The Inspector General of Registration, Vanchiyoor, Thiruvananthapuram
71 The Director, Information Public Relations Department, Thiruvananthapuram
72 The Chief Engineer (Mechanical), Irrigation Department, Thiruvananthapuram
73 The Chief Engineer (Irrigation & Admn.), Thiruvananthapuram
74 The Director, Kerala State Lotteries, Thiruvananthapuram
75 The Director, Sainik Welfare, Thiruvananthapuram
76 The Director, Sports & Youth Affairs Department, Thiruvananthapuram
78 The Director, Medical Education Department, Thiruvananthapuram
79 The Director, Mining & Geology Department, Thiruvananthapuram
80 The Director of Ports, Thiruvananthapuram
81 The Director, Scheduled Tribes Development Department, Vikas Bhavan, Thiruvananthapuram
82 The Director Vigilance & Anti Corruption Bureau, Kerala, Thiruvananthapuram

ANNEXURE 9

LIST OF HEADS OF DEPARTMENTS

1 Secretaries, Additional Secretaries and Joint Secretaries to Government (including Secretary to the Legislative Assembly)
2 Director of Agriculture, Vikas Bhavan, Thiruvananthapuram
3 Director of Animal Husbandry, Vikas Bhavan, Thiruvananthapuram
4 Director of Archaeology Department, Thiruvananthapuram
5 Director of Archives Department, Thiruvananthapuram
6 Director of Ayurveda Medical Education Department, Thiruvananthapuram
7 Chief Chemical Examiner, Chemical Examiner's Laboratory, Thiruvananthapuram
8 The Director, Commissionerate of Civil Supplies, Thiruvananthapuram
9 The Commissioner of Commercial Taxes, Thiruvananthapuram
10 The Commissioner of Excise, Thiruvananthapuram
11 The Commissioner of Land Revenue, Thiruvananthapuram
12 The Commissioner of Rural Development, LMS Compound, Thiruvananthapuram
13 The Registrar of Co-operative Societies, Thiruvananthapuram
14 The Director of Culture, Thiruvananthapuram
15 The Director of General Prosecution, Ernakulam
16 The Director, Dairy Development Department, Thiruvananthapuram
17 The Drugs Controller, Thiruvananthapuram
18 The Director, Economics & Statistics Department, Vikas Bhavan, Thiruvananthapuram
19 The Director of Collegiate Education, Vikas Bhavan, Thiruvananthapuram
20 The Director, Technical Education Department
21 The Director of Public Instructions, Thiruvananthapuram
22 The State Project Director, S.S.A., Thiruvananthapuram
23 The Commissioner for Entrance Examinations, Thiruvananthapuram
24 The Director Higher Secondary Education, Thiruvananthapuram
25 The Director of Vocational Higher Secondary Education, Thiruvananthapuram
26 The Chief Electrical Inspector, Thiruvananthapuram
27 The Director, Employment & Training Department, Thiruvananthapuram
28 The Director of Factories & Boilers Department, Thiruvananthapuram
29 The Commandant General, Home Guard, Civil Defense, Fire & Rescue Services, Thiruvananthapuram
30 The Director, Fisheries Department, Vikas Bhavan, Thiruvananthapuram
31 The Principal Chief Conservator of Forests, Thiruvananthapuram
32 The Director, Ground Water Department, Thiruvananthapuram
33 The Chief Engineer, Harbour Engineering Department, Thiruvananthapuram
34 The Director, Health Service Department, Thiruvananthapuram
35 The Director, Homoeopathy Department, Thiruvananthapuram
36 The Director of Indian System of Medicine Department, Thiruvananthapuram
37 The Director, Industries & Commerce Department, Thiruvananthapuram
38 The Director Coir Development, Thiruvananthapuram
39 The Director Handlooms & Textiles, Thiruvananthapuram
40 The Director, Insurance Medical Services Department, Thiruvananthapuram
41 The Director General of Police (Prisons), Thiruvananthapuram
42 The Director, Kerala State Insurance Department, Thiruvananthapuram
43 The Commissioner, Kerala State Land Use Board, Vikas Bhavan, Thiruvananthapuram
44 The Commissioner, Labour Department, Thiruvananthapuram

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

ANNEXURE 8

FORM OF ANNUAL INDENT FOR STORES

Kerala Financial Code, Vol. II, Form No. 13

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:

Signature and

Date: Designation of Indenting Officer

Note: Annexure 8 has been modified. The modification need to be incorporated in Form No. 13 of the Kerala Financial Code, Vol. II.

ANNEXURE 7

FORM OF CERTIFICATE OF RENEWAL OF REGISTRATION

CERTIFICATE OF RENEWAL OF REGISTRATION
STORES PURCHASE DEPARTMENT, GOVERNMENT OF KERALA

Registration No.
Thiruvananthapuram

Date:

The registration of Messrs …… (Registration No. ……..dated ……..) as approved suppliers to the Government of Kerala is renewed for the period from ……..to …….. subject to the conditions of registration specified in the original certificate. The new number assigned to you is ……..

Signature of the Officer

To

Messrs……..
…….
…….

NOTE:

(1) New number assigned to you should be quoted as the Registration Number in all tenders submitted by you to the Officers of the Kerala Government.

(2) Application for further renewal should be made before the validity of this renewal expires, accompanied by the prescribed fee and documents.

(3) Failure to renew the Registration within a period of two years from date of expiry will entail automatic cancellation of the Registration.

ANNEXURE 6

FORM FOR CERTIFICATE OF REGISTRATION

CERTIFICATE OF REGISTRATION
STORES PURCHASE DEPARTMENT, GOVERNMENT OF KERALA

Registration No……..

Messrs……...
is/are registered as approved suppliers to the Government of Kerala in respect of the Stores specified below. The registration is subject to the conditions stipulated overleaf.

The registration is valid till …….. unless terminated earlier.

Name and Signature of the Officer

Thiruvananthapuram
Date:

CONDITIONS OF REGISTRATION

1. The registration should be renewed before the validity expires. This certificate should be returned with the application for renewal.
2. Application for renewal will be accepted without penalty till the last date of validity mentioned obverse, and with penalty fee of ₹25 upto one month thereafter. The application should be supported by the prescribed fee and necessary tax clearance certificates.
3. Any change of address should be notified promptly.
4. The registration No. should be quoted in all tenders/quotations submitted by the firm. They should also certify that they are registered for the articles tendered for.
5. Registration may be cancelled for any of the following reasons:-
   i) Failure to renew registration within the prescribed time.
   ii) Failure to observe the instructions given in the tender notices including schedule.
   iii) Failure to quote in response to invitations to tender on four successive occasions.
   iv) Submission of four successive quotations all of which are 50% or more above the quotation ultimately accepted.
   v) Failure to secure a contract during the first three year period after registration.
   vi) Failure to perform a contract or contracts satisfactorily and in accordance with the obligations of the contract.
   vii) Any grounds which in the opinion of Government render the retention of the contractor's name on the list of approved contactors undesirable in public interest.

Renewal of Registration

Year of Period	Date of Renewal	Initials	Year or Period	Date of Renewal	Initials

Change of Address	Orders Placed (Number and Date of Order and Name of Materials

Details of Defaults, Punishments, etc.
(Nature of default or punishment and
Number and date of communication)

Remarks

ANNEXURE 5

FORM OF REGISTER OF APPROVED SUPPLIERS

Serial No.	
Date of application	
Registration No.	
Date of receipt of application	
Whether Manufacturer, Stockist, Agent, Others	
Full Address	
Cable/Grams	
Telephone No.	
E mail address	
Web site address	

Final status (Confidential)

……
……

Stores handled (Group, sub-group and item Nos.):

Person authorized to enter into contracts and sign agreements

1. Name ……
   Designation ……..
2. Name ……
   Designation ……
3. Name ……
   Designation

Secretary, Stores Purchase Department

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

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

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

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

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

C WATERWORKS AND SANITARY GOODS

1 Asbestos cement pipes
2 C.I. pipes
3 G.I. popes and fittings
4 Hose popes-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

25 Stay tighterners
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 Rising
39 Milk Can, Ear tag, Rubber mat etc.

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.

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 MEDICALS

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

5 Leather grindery
6 Leather belts, scabbards, etc.
7 Leather beltings
8 Leather washers
9 Leather bags and case
19 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 Cuttleflesh 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

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)

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.

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

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

ANNEXURE 4

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)

17. Where you or any other persons interested in the business removed/black-listed from the list of approved suppliers of this or any other Government.

18. Have you been paying Income tax and Sales tax regularly?
If so, attach certificates to that effect from the authorities concerned

DECLARATION TO BE MADE BY THE APPLICANT
(Vide Question 5 (c)

We…….
(name of *Partners/Proprietors/or Directors) do hereby declare that the entries made in this application form are True to the best of our knowledge and also that we shall be bound by the acts of our duly, constituted Attorney Mr. …… who has signed this application and of any other person who in future may be appointed by us in his stead to carry on the business of the concern whether an intimation of such change is given to you or not.

We have read the conditions of registration and have accepted them.

Signature of Partners, Proprietors or Directors of unregistered firms

Signature and designation of persons signing this application

Place
Date

……
Note: All subsequent changes in constitution of a firm, affecting the accuracy of the answers now given should be promptly communicated to the Secretary, Stores Purchase Department, Government Secretariat, Thiruvananthapuram.

* Strike out items not applicable

7. Are you a manufacturer's agent?

   If so, please give

   (i) Name and address of each manufacturer
   (ii) Stores manufactured by each
   (iii) Letter of authority appointing you as Agents, in original, which must indicate whether the manufacturers will also deal with Government director only through your agency.

   If so, please give ..

   (i) Items of stores stocked
   (ii) The quantity and value of stocks held at present and of which you are the owner
   (iii) Addresses of godown (s) where stocked

8. Are you a stockist only?

9. Names and permanent addresses of the Proprietors or Partners or Directors, etc.

   (a) Name, designation and addresses of the persons signing this application.

10. Name and full address of your bankers stating the name in which the account stands.

11. Are you on the list of approved contractors of the following and if so, give details of Registration:-

   (i) Director General of Supplies and Disposals
   (ii) Any State Government
   (iii) Any other authority

12. Did you apply for registration with his Department before; if so, with what result.

13. Has anyone in the Kerala Government Service any interest in the business (other than being a share-holder in the case of joint stock companies).

14. Give details of any contracts executed during the last two years for any Government Department.

15. Give details of the stores against which your name is to be registered (give the list of stores in triplicate).

16. Have you remitted the prescribed registration fee? If so, give amount and date of remittance.

ANNEXURE 3

FORM OF APPLICATION FOR REGISTRATION

APPLICATION FOR REGISTRATION OF FIRMS IN THE APPROVED LIST
STORES PURCHASE DEPARTMENT
GOVERNMENT OF KERALA

N.B. – (i) Unless complete and definite answers are given to the questions below, the application is liable to be ignored.
(ii) Separate sheets may be used where the space provided is not sufficient.

1. Name of firm (in block letters)

2. (a) Address
Head Office
Branches
(b) Name and address of allied or associated firms

3. Telegraphic address (if any)

4. (a) Date of commencement of business
(b) Working capital

5. Is your firm registered under

(a) The Indian Companies Act, 1913 or 1956
(b) The Indian Partnership Act, 1932
(c) Any Act-If not who are the owners
(Please give full address – see also declaration below)
(d) The Indian Factories Act

---

*Replies to questions at 5 (a) (b) and (d) must be substantiated by ..
(a) Copy of Memorandum of Association
(b) Statement in Register of Firms showing names of partners (Attested copy)
(c) Registration number and date

6. Are you a manufacturer?

If so, please give …

(i) Details of stores manufactured, specifying each item separately
(ii) Full address of factory or workshop owned by you (with documentary proof of ownership)

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. ……

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 ₹…….. 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 PRESNTS 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 within ……..days 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.

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:

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 ₹ 15 purchased in the Kerala State. Stamp Paper will be supplied to firms outside Kerala along with the tender forms on payment of ₹ 20 (₹ 15 being the value of the stamp paper and ₹ 5 incidental charges) which may be remitted

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 ant 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 if 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.

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.

(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

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 cancelled.

(b) In cases where a successful tenderer, after having made partial supplies fails to fulfil 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).

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 per cent 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

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.

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 ₹ 1500, if the amount calculated at one per cent of the value of the articles tendered for falls below ₹ 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

ANNEXURE 2

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 ₹ …… (Rupees ……. only) as earnest money.

Yours faithfully

Signature ……..……..

Address… ……..……..

Date:

*(To be scored in cases where no earnest money deposit is furnished)

(General Conditions on the reverse)

6. The Chief Executive
   Kerala Shops & Commercial Establishment Workers' Welfare Board,
   Thiruvananthapuram

7. The Labour Welfare Fund Commissioner
   Kerala Labour Welfare Fund Board, Thiruvananthapuram

8. The Chief Executive Officer
   Kerala Agricultural Workers' Welfare Fund Board, Thrissur

9. The Chief Executive Officer
   Kerala Beedi Cigar Workers' Welfare Fund Board, SPCA Road, Kannur – 2

10. The Secretary, Kerala Buildings and Other Construction Workers Welfare Board
    Thycaud, Thiruvananthapuram

11. The Chief Executive Officer
    Kerala Head Load Workers' Welfare Fund Board, SPM Road, Ernakulam

12. The Chief Executive Officer
    Kerala Tailoring Workers' Welfare Fund Board, Thycaud
    Thiruvananthapuram – 695 014

13. The Chief Welfare Fund Inspector
    Kerala Abkari Workers' Welfare Fund Board, Power House Road
    Thiruvananthapuram

(VII) DEVELOPMENT AUTHORITIES

1. Thiruvananthapuram Development Authority
2. Greater Cochin Development Authority
3. Goshree Island Development Authority

74. Kerala State Handloom Development Corporation Limited
75. The Kerala State Coir Corporation Limited
76. Kerala Khadi & Village Industries Board.
77. The Kerala State Cashew Development Corporation Limited
78. The Kerala State Civil Supplies Corporation Limited
79. Kerala State Beverages (M&M) Corporation Limited
80. Kerala Artisans Development Corporation Limited
81. Kerala School Teachers & Non Teaching Staff Welfare Corporation Limited
82. Kerala State Development Corp. for Christian Converts from SC & RC Limited
83. The Kerala State Development Corporation for SC & ST Limited
84. The Kerala State Handicapped Persons' Welfare Corporation Limited
85. Kerala State Palmyrah Products Dev. & Workers' Welfare Corporation Limited
86. Kerala State Women's Development Corporation Limited
87. Kerala State Backward Classes Development Corporation Limited
88. Kerala State Ex-servicemen Development & Rehabilitation Corporation
89. Kerala State Maritime Development Corporation Limited
90. Kerala Shipping & Inland Navigation Corporation Limited
91. Kerala State Electricity Board
92. Kerala State Road Transport Corporation
93. Kerala Water Authority
94. Kerala State Housing Board
95. Overseas Development & Employment Promotion consultants Limited
96 Kerala Medical Services Corporation Limited
97 Indian Institute of Information Technology and Management- Kerala
98 Kerala State Information Technology Infrastructure Limited
99 Norka Roots Limited
100 Malabar Distilleries Limited
101 Aralam Farming Corporation of (Kerala) Limited

(VI) WELFARE FUND BOARDS

1. Chief Executive Officer
   Kerala Bamboo, Kattuvally & Pandanus Leaf Worker's Welfare Fund Board,
   Angamaly South PO, Pin 683 573

2. The Chief Executive
   Kerala Handloom Workers' Relief and Welfare Fund Board, Thalikavu, Kannur

3. The Chief Executive
   Kerala Cashew Workers' Relief and Welfare Fund Board, Kollam – 691 101

4. The Chief Executive Officer
   Kerala Motor Transport Workers' Welfare Fund Board, Kollam – 691 101

5. The Chief Welfare Fund Inspector
   Kerala Toddy Workers' Welfare Fund Board
   Thiruvananthapuram – 695 011

27. Malabar Cements Limited
28. The Pharmaceutical Corporation (IM) Kerala Limited
29. The Travancore Cements Limited
30. The Travancore-Cochin Chemicals Limited
31. Travancore Titanium Products Limited
32. Kerala State Mineral Development Corporation Limited
33. Kerala Electrical & Allied Engineering Company Limited
34. United Electrical Industries Limited
35. Traco Cable Company Limited
36. Transformers and Electricals Kerala Limited
37. Kerala State Electronics Development Corporation Limited
38. Keltron Counters Limited
39. Keltron Electro Ceramics Limited
40. Keltron Crystals Limited
41. Keltron Magnetics Limited
42. Keltron Resistors Limited
43. Keltron Component Complex Limited
44. The Metal Industries Limited
45. Steel Complex Limited
46. Kerala Agro Machinery Corporation Limited
47. Steel Industrials Kerala Limited
48. Kerala State Construction Corporation Limited
49. Kerala Automobiles Limited
50. Steel and Industrial Forgings Limited
51. Autokast Limited
52. The Kerala Agro Industries Corporation Limited
53. Kerala Forest Development Corporation Limited
54. Kerala Livestock Development Board Limited
55. Meat Products of India Limited
56. Oil Palm India Limited
57. The Plantation Corporation of Kerala Limited
58. Rehabilitation Plantations Limited
59. The State Farming Corporation of Kerala Limited
60. The Travancore Sugars & Chemicals Limited
61. Kerala State Horticultural Products Development Corporation Limited
62. Kerala State Poultry Development Corporation Limited
63. Kerala Feeds Limited
64. Kerala Garments Limited
65. Kerala State Textile Corporation Limited
66. Sitaram Textiles Limited
67. Trivandrum Spinning Mills Limited
68. Forest Industries (Travancore) Limited
69. Kerala State Wood Industries Limited
70. Travancore Plywood Industries Limited
71. Foam Mattings (India) Limited
72. Handicrafts Development Corporation of Kerala Limited
73. Kerala State Bamboo Corporation Limited

12. Kerala State Co-operative Rubber Marketing Federation Ltd., Kochi, Ernakulam
13. Kerala State Co-operative Textile Federation Limited (TEXFED), Thrissur
14. Kerala State Federation of Scheduled Castes and Scheduled Tribes Development Co-operative Limited, Thiruvananthapuram
15. Kerala State Handloom Weavers Co-operative Society Ltd., Thiruvananthapuram
16. Kerala State Rural Women's Electronics Industrial Co-operative Federation Limited, Thiruvananthapuram
17. Quilon Co-operative Spinning Mills Limited, Kollam
18. Thrissur Co-operative Spinning Mills Limited, Thrissur.

(IV) UNIVERSITIES

1. Cochin University of Science & Technology, Kochi, Ernakulam
2. Kannur University, Kannur
3. Kerala Agricultural University, Thrissur
4. Mahatma Gandhi University, Kottayam
5. Medical University, Thrissur
6. Sree Sankaracharya University of Sanskrit, Kalady, Thrissur
7. University of Calicut, Malappuram
8. University of Kerala, Thiruvananthapuram

(V) PUBLIC SECTOR UNDERTAKINGS

1. Kerala State Industrial Development Corporation Limited
2. Kerala State Industrial Enterprises Limited
3. Kerala Financial Corporation
4. Kerala Tourism Development Corporation Limited
5. Kerala Urban & Rural Development Finance Corporation Limited
6. The Kerala Land Development Corporation Limited
7. Kerala Small Industries Development Corporation Limited
8. Kerala State Film Development Corporation Limited
9. Kerala State Warehousing Corporation
10. The Kerala State Financial Enterprises Limited
11. Kerala Industrial Infrastructure Development Corporation
12. Tourist Resorts (Kerala) Limited
13. Bakel Resorts Development Corporation Limited
14. Kerala Transport Development Finance Corporation Limited
15. Kerala State Power and Infrastructure Finance Corporation Limited
16. Kerala Police Housing and Construction Corporation Limited
17. Roads & Bridges Development Corporation of Kerala Limited
18. Vizhinjam International Seaport Limited
19. Kerala Construction Components Limited
20. The Kerala Ceramics Limited
21. Kerala Clays & Ceramic Products Limited
22. The Kerala Minerals & Metals Limited
23. Kerala State Detergents & Chemicals Limited
24. Kerala State Drugs & Pharmaceuticals Limited
25. Kerala Soaps & Oils Limited
26. Kerala State Salicylates & Chemicals Limited

27. Kerala Mineral Exploration and Development Project, Kesavadasapuram, Thiruvananthapuram
28. Kerala Motor Transport Workers Welfare Fund Board, Kollam
29. Kerala Press Academy, Kochi, Ernakulam
30. Kerala Rural Development and Marketing Society, Opposite Tagore Theatre, Vazhuthacaud, Thiruvananthapuram
31. Kerala Rural Employment and Welfare Society, Thiruvananthapuram
32. Kerala Sahithya Academy, Thrissur
33. Kerala Sangeetha Nataka Academy, Thrissur
34. Kerala Sports Council, Thiruvananthapuram
35. Kerala State Anganwadi Workers' and Helpers' Welfare Fund, Thiruvananthapuram
36. Kerala State Council for Child Welfare, Thiruvananthapuram
37. Kerala State Export Trade Development Council, Thiruvananthapuram
38. Kerala State Legal Aid and Advice Board, Kochi
39. Kerala State Library Council, Thiruvananthapuram
40. Kerala State Nirmithi Kendra, Thiruvananthapuram
41. Kerala State Pollution Control Board, Thiruvananthapuram
42. Kerala State Science & Technology Museum, Thiruvananthapuram
43. Kerala State Social Welfare Advisory Board, Kozhikode
44. Kerala State Youth Welfare Board, Thiruvananthapuram
45. Kerala Water Authority, Thiruvananthapuram
46. LBS Centre for Science & Technology, Thiruvananthapuram
47. Medical Council, Thiruvananthapuram
48. National Transportation, Planning & Research Centre, Thiruvananthapuram
49. People's Action for Development, Kerala, Thiruvananthapuram
50. Rajiv Gandhi Centre for Development of Education, Science & Technology, Thycaud, Thiruvananthapuram
51. Regional Cancer Centre, Thiruvananthapuram
52. Society for Preservation of Hill Palace Premises, Thrippunithura, Ernakulam
53. State Advisory Contract Labour Board, Thiruvananthapuram
54. State Institute of Children's Literature, Thiruvananthapuram
55. State Institute of Encyclopedia Publications, Thiruvananthapuram
56. State Institute of Languages, Thiruvananthapuram
57. Tropical Botanical Garden and Research Institute, Palode, Thiruvananthapuram
58. Vasthuvidya Gurukulam, Aranmula, Pathanamthitta

(III) CO-OPERATIVE INSTITUTIONS

1. All Kerala Cottage Match Industries Federation, Kollam
2. Alleppey Co-operative Spinning Mills Ltd., Kayamkulam, Kollam
3. Cannanore Co-operative Spinning Mills Limited, Kannur
4. Kerala Kerakarshaka Sahakarana Federation, Thiruvananthapuram
5. Kerala State Cashew Workers Apex Industries Co-operative Society Limited (CAPEX), Kollam
6. Kerala State Co-operative Agricultural and Rural Development Bank, Thiruvananthapuram
7. Kerala State Co-operative Bank, Thiruvananthapuram
8. Kerala State Co-operative Cashewnut Federation, Kochi
9. Kerala State Co-operative Coir Marketing Federation Limited (COIRFED), Alappuzha
10. Kerala State Co-operative Housing Federation Ltd., Kaloor, Ernakulam
11. Kerala State Co-operative Marketing Federation Limited, Kochi, Ernakulam

ANNEXURE 1

AN ILLUSTRATIVE LIST OF AUTONOMOUS BODIES AND PUBLIC SECTOR UNDERTAKINGS

(I) COMMISSIONS

1. Central Administrative Tribunal, Ernakulam
2. Commission for Taxation Laws, Thiruvananthapuram
3. Kerala Commissions for Backward Classes, Thiruvananthapuram
4. Kerala Public Men's Corruption (Investigation & Inquiries) Commission, Thiruvananthapuram
5. Kerala Public Service Commission, Pattom, Thiruvananthapuram
6. Kerala State Consumer Disputes Redressal Commission, Thiruvananthapuram
7. Official Language (Legislative) Commission, Kerala, Thiruvananthapuram
8. State Finance Commission, Palayam, Thiruvananthapuram

(II) AUTONOMOUS BODIES

1. Agency for Development of Aquaculture, Kerala, Thiruvananthapuram
2. Agency for Non-Conventional Energy & Rural Technology (ANERT), Thycaud, Thiruvananthapuram
3. Agricultural Prices Board, Thiruvananthapuram
4. Centre for Development of Imaging Technology, Chithranjali Studio Compound, Thiruvallam, Thiruvananthapuram
5. Centre for Development Studies, Thiruvananthapuram
6. Centre for Earth Science Studies, Thiruvananthapuram
7. Centre for Land Use and Environment Studies, Vikas Bhavan, Thiruvananthapuram
8. Centre for Taxation Studies, Thiruvananthapuram
9. Centre for Water Resources Development and Management, Kozhikode
10. Gurugopinath Natana Grama Society, Vattiyoorkavu, Thiruvananthapuram
11. Handloom Training Institute, Kizhunna, Kannur
12. Institute of Human Resources Development for Electronics, Vazhuthacaud, Thiruvananthapuram
13. Institute of Management in Government, Thiruvananthapuram
14. Kerala Aviation Training Centre, Thiruvananthapuram
15. Kerala Books and Publication Society, Kakkanad, Ernakulam
16. Kerala Coir Workers Welfare Fund Board, Alappuzha
17. Kerala Construction Workers Welfare Fund Board, Thiruvananthapuram
18. Kerala Forest Research Institute, Peechi, Thrissur
19. Kerala Head Load Workers Welfare Board, Ernakulam
20. Kerala Health Research and Welfare Society, Thiruvananthapuram
21. Kerala Institute of Labour and Employment, Thiruvananthapuram
22. Kerala Institute of Local Administration, Mulamkunnathukavu, Thrissur
23. Kerala Institute of Tourism and Travel Studies, Residency Compound, Thiruvananthapuram
24. Kerala Kalamandalam, Cheruthuruthy, Thrissur
25. Kerala Khadi Workers Welfare Fund Board, Vazhuthacaud, Thiruvananthapuram
26. Kerala Lalithakala Academy, Thrissur

ANNEXURES

authority. Ministries/Departments may also bring such unhealthy practice to the notice of the concerned trade associations like FICCI, ASOCHAM, NSIC, etc. requesting them, inter alia, to take suitable strong actions against such firms. The Ministries/ Departments may also encourage new firms to get themselves registered for the subject goods to break the monopolistic attitude of the firms forming cartel.

Training

18.8 Purchase management is a specialized subject and, therefore, the officials entrusted with purchase work should be adequately trained at the entry level itself to avoid mistakes in tender evaluation, placement of contract, contract management etc., because any mistake in public procurement may cause financial repercussions, operational hold-ups, and unwarranted legal complications for the Departments. In addition to entry level training, the purchase officials should also be sent for in-service training periodically to keep them abreast with the changing scenario and latest techniques of Purchase Management taking place within as well as outside the country.

Beyond the Manual

18.9 The important and significant areas of Public Procurement have been covered in this Manual. A situation may, however crop up in a purchase case for which no solution may be readily available in this Manual. In such a situation, the Departments may seek advice and guidance from the Stores Purchase Department. The matters related to DGS&D rate contract may be obtained directly from DGS&D.

18.10 The guidelines issued by the Central Vigilance Commission, relevant to the purchase of stores in the State have been included in the appropriate sections of the Manual. The future guidelines of the CVC which are applicable to the State may also be incorporated in the Manual as required by inserting the particular Order/Circular in the Appendix (list of relevant Orders/Circulars of CVC) at the end of the Manual.

Disposal of Surplus Stores

18.4 With the passage of time, many of the Stores purchased by the Departments become unserviceable or obsolete. Such Stores are classified as surplus Stores. The Ministries/Departments should dispose off such surplus Stores at the earliest, to avoid unnecessary inventory carrying cost, decrease in resale price of those Stores etc. Detailed comprehensive instructions for disposal of surplus Stores are to be issued by the Stores Purchase Department in consultation with the Financial Department.

Price Negotiation/Counter-Offer

18.5 Price Negotiation with the tenderers should be severely discouraged. However, in case the price quoted by the lowest eligible tenderer (L1) is not reasonable and acceptable, the price may be negotiated with L1 only and, if it reduces the price to the desired level, rate contract may be concluded with L1.

18.6 There may also be a situation where even the price of the lowest eligible tenderer (L1) is not reasonable. In that case, price negotiation may be conducted with L1 in the first instance. If L1 agrees to bring down the price to the desired level, rate contract may be concluded with it and that price counter offered to other eligible tenderers under intimation to L1 for further action in identical manner as indicated in the above paragraph. If, however, L1 does not agree to reduce its price in the first instance itself, then the price, which has been decided as reasonable may be counter offered to all the eligible tenderers (including L1) for further action on above lines.

Cartel Formation / Pool Rates

18.7 Sometimes a group of tenderers quote identical rates against a rate contract tender. Such Pool/Cartel formation is against the basic principle of competitive bidding and defeats the very purpose of open and competitive tendering system. Such practices should be severely discouraged with strong measures. Suitable administrative actions like rejecting the offers, reporting the matter to Registrar of Companies, Monopolies Commission, National Small Industries Corporation etc. should be initiated against such firms, on case to case basis, as decided by the competent

CHAPTER 18
MISCELLANEOUS

Buy Back Offer

18.1 When it is decided with the approval of the competent authority to replace some existing old Stores with their newer and better versions/substitutes, the department may trade the existing old Stores while purchasing the new ones. For this purpose, suitable clauses are to be incorporated in the tender enquiry document so that the interested tenderers formulate and submit their tenders accordingly. Provision should also be kept in the tender documents to permit the interested tenderers to inspect the old Stores to be traded through this transaction.

18.2 Appropriate provision should also be kept in the tender document allowing the purchase department to reserve its right to trade or not to trade the old Stores while purchasing the new ones and the tenderers are to be asked to frame their quotations accordingly covering both the options. Depending on the value and condition of the old Stores to be traded, the time frame for as well as the mode of handing them over to the successful tenderer should be decided and relevant details in this regard suitably incorporated in the tender document.

Turnkey Contract

18.3 A turnkey contract is a mix of Stores contract and works contract. Generally, in the tender enquiry documents for a turnkey contract, the purchase department specifies the performance and output required from the plant proposed to be set up and broadly outlines the various parameters it visualizes for the desired plant. The inputs and other facilities, which the purchase department will provide to the contractor are also indicated in the tender enquiry document. The contractor is to design the plant and quote accordingly. The responsibility of the contractor will include supplying the required stores, machinery, equipment etc. needed for the plant; assembling, installing and erecting the same at site as needed; commissioning the plant to meet the required output etc., as specified in the tender enquiry documents. While entering into a turn-key contract, Department/Organization is to follow the relevant instructions prescribed in the Stores Purchase Manual as well as in relevant other Manuals.

CHAPTER 17

STORES PURCHASE DEPARTMENT

Responsibilities of the Department

17.1 The Stores Purchase Department of the Secretariat shall deal with the following:

(i) The recommendations of the Departmental Purchase Committees are to be dealt with in the Stores Purchase Department in the following cases:
   a) Where the finance member disagrees with the other members
   b) Cases in which there is any special relaxation from Stores Purchase Rules or Provisions of the Kerala Financial Code

(ii) Preparation of the Statements of:
   a) Directory of Purchases (half yearly)
   b) List of purchases of I.S.I. certified goods (quarterly)
   c) Preparation of the list of products offered by Government Undertaking

(iii) All correspondence relating to import licenses and release of foreign exchange.

(iii) Blacklisting, banning and other penalties.

(iv) Registration of firms, re-registration & verification of competence of registered firms.

(v) General questions relating to stores purchase like correspondence with the Government of India and the D.G.S. & D., issue of general instructions and orders on stores purchase from time to time.

(vi) Setting up and organizing Price Fixation Committees for fixing the price of products to be supplied by Public Sector and Cooperative Enterprises in the State.

(vii) Issue clarifications on provisions in the Stores Purchase Manual, as required.

(viii) Make arrangements for modifying provisions in the Stores Purchase Manual, when required.

17.2 The Stores Purchase Department may also publish in their website an updated list of the following for ready reference to the other departments:

(i) The list of approved and blacklisted/banned firms

(ii) Latest guidelines of Central Vigilance Commission applicable to the State

(iii) Other relevant orders issued by the Government related to Stores Purchase

17.3 The Stores Purchase Department will conduct inspection of purchase files of Government Offices/PSUs/Autonomous Bodies/Local Bodies/Universities and institutions utilises grant-in-aid of Government. The purchasing officers/ department shall make available all relevant records to the inspection team and shall render all possible assistance as required by them.

(iii) If the item/store to be procured is of a sophisticated technical nature or needs technical evaluation, whether a technical committee with sufficient members for evaluating the articles/stores has been constituted? If so, whether the specific report of the committee has been made available for consideration by the Departmental Purchase Committee.

(iv) Whether the Purchasing Officer has recorded the absolute necessity for procurement of the store/item particularly taking into account the average consumption use of the items/stores for the past 3 years.

(v) Whether the Purchasing Officer has taken necessary steps to forecast the requirements in full for a definite period for 3 months, 6 months, one year and so as to avoid piece meal purchases and to observe Stores Purchase Rules strictly;

(vi) Action taken by the Purchasing Officer to keep open the firmness period, if the same has not been kept open for acceptance and confirmation;

(vii) Whether the Purchasing Officer has made any attempt to inspect and satisfy himself about the working of the unit/items/store which has been supplied by the bidder if any, on earlier occasion;

(viii) Whether the Purchasing Officer has made any specific recommendation for consideration of the Departmental Purchase Committee; and

(ix) Whether the tabulation statement containing full essential data/details of the tenders/quotations received vis-à-vis the evaluation report of the Purchasing Officer authenticated by the Purchasing Officer has been enclosed with the notes for the Departmental Purchase Committee.

(vi) Among the valid bidders the details of the lowest quotation received, bidder details and the quoted amount;

(vii) Whether lowest quotation/tender has been accepted;

(viii) If not, the reasons for rejecting the lowest quotation (and other quotations lower than the one ultimately accepted by the Departmental Purchase Committee);

(ix) Details of bidder and quotation ultimately accepted and the difference between the lowest quotation and the accepted quotation;

(x) Views of the Departmental Purchase Committee as to whether retender is desirable and could lead to substantially lower bids;

(xi) Specific Remarks on Guarantee/Warranty/Annual Maintenance Contract, etc.

(xii) Any other relevant facts.

16.14 In addition to the above, the Administrative Department/Purchasing Officer should take care of the following points also:

(i) The D.P.C. Meeting Notes must be in full satisfaction of all the points mentioned above.

(ii) Ensure the availability of the Officer from Stores Purchase Department and Finance Department before deciding the date and time of the meeting.

(iii) Notes for the DPC meeting must reach SPD at least three days before the meeting for scrutiny. Otherwise it will be difficult to attend the DPC meeting.

(iv) Copy of the Administrative Sanction and minutes/report of Technical Evaluation Committee, if any, should be furnished.

(v) Copy of the Tender Notification both English and Malayalam should be made available.

(vi) Post tender, negotiation may be made only with the LI Tenderer.

16.15 The notes for the Departmental Purchase Committee may also inter alia, contain information on the following:

(i) Whether the Purchasing Officer has compared the existing prevalent market rates of the Stores/items for which the quotation/tender has been floated and if so, whether it is economical when compared with the bid amount;

(ii) Whether samples have been insisted in the tender schedule and if not, the reasons therefore;

16.9 Purchase proposals exceeding ₹ 6 crores up to ₹ 10 crores after being considered by the concerned Departmental Purchase Committee, should have the approval of the Minister concerned, whereas purchase proposals above ₹ 10 crores should be approved by both the Minister Concerned and the Minister in charge of the Stores Purchase Department, through the Principal Secretary, Stores Purchase Department. In all cases, the sanction will be issued by the Administrative Department.

16.10 The Departmental Purchase Committee may meet whenever necessary and at such time and place as may be decided by the Chairman. For effecting the Purchases needed for a year, the Committee should meet as far as possible before the commencement of that year. The steps necessary for this should be taken by the Head of the Department sufficiently early.

16.11 Subject to the condition that the reasons, in each case, should be clearly recorded and that the orders of the Minister concerned should be taken, the Departmental Purchase committee is authorized to exempt firms of established repute and standing from furnishing performance security, in special circumstances.

16.12 In respect of purchases costing below ₹ 60 lakh, the Secretary to Government and Chairman of the Departmental Purchase Committee is authorized:

(i) to cancel orders or unexecuted portion of orders and to order the invitation of fresh tenders or quotations
(ii) to extend the period of delivery and accept late supplies
(iii) to order forfeiture of earnest money and performance security, etc.

16.13 The minutes of the Departmental Purchase Committee should contain the following:

(i) Details of the Publicity given to the tender notices;
(ii) Number of tender notices taken by prospective bidders;
(iii) Number of tenders received;
(iv) Number of bids received in proper order;
(v) Number of bids rejected and reason thereof (reason for rejection of each bid may be given separately);

3	Purchase between ₹40 lakh and ₹ 60 lakh	1. Concerned Secretary to Government (Chairman and Convener
		2. Joint Secretary/Deputy Secretary, Finance Department (nominated by Finance Secretary)
		3. Additional Secretary/Joint Secretary, Stores Purchase Department
		4. Concerned Head of Department
4	Purchase upto ₹40 lakh	1. Concerned Secretary to Government (Chairman and Convener
		2. Deputy Secretary/Under Secretary, Finance Department (nominated by Finance Secretary)
		3. Deputy Secretary/Under Secretary, Stores Purchase Department
		4. Concerned Head of Department

NOTE 1: In order to co-ordinate the production programme and the purchase policy and to ensure that the concessions given to MSME are fully implemented, the Chairman of the Departmental Purchase committee shall invite the Director of Industries and Commerce or his representative to attend the meetings of the Departmental Purchase Committees in cases where Micro, Small & Medium Enterprises in the State also participate in the tenders.

Functions of the Departmental Purchase Committees

16.8 All Purchase proposals which do not fall within the powers of the Head of the Department will be considered by the appropriate Departmental Purchase Committee. The factual accuracy of the materials placed before the Committee and the observance of the rules in undertaking the various steps before bringing the proposals before the Committee will be the sole responsibility of the Head of the Department. The Committee will scrutinize the proposals and take/make appropriate decision/recommendations. Any variation in the original sanction will require further reference to the Departmental Purchase Committee who made the original decision/recommendation of purchase sanction. The sanction for the purchase should show the actual specifications quoted in the tender.

16.5 HODs 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 HODs are authorised to sanction upto ₹ 2 lakh and ₹ 1 lakh for HODs 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).

16.6 The Controller of Stationery and the Superintendent of Government Presses is authorized to purchase stores upto ₹ 10 lakh at a time without reference to the Government or the Departmental Purchase Committee.

Departmental Purchase Committees

16.7 Departmental Purchase Committees shall be constituted for each Purchasing Department (Non-Secretariat). The constitution of the Departmental Purchase Committees is as follows:

No.	Value of Purchase	Departmental Purchase Committee
1	Purchase above ₹ 6 crore	1. Concerned Secretary to Government (Chairman and Convener)
		2. One of the Secretaries of Finance Department
		3. Secretary, Stores Purchase Department or his nominee not below the rank of Additional Secretary/ Joint Secretary
		4. Concerned Head of Department
2	Purchase between ₹60 lakh and ₹ 6 crore	1. Concerned Secretary to Government (Chairman and Convener)
		2. Secretary, Finance Department or his nominee not below the rank of Joint Secretary
		3. Secretary, Stores Purchase Department or his nominee not below the rank of Joint Secretary
		4. Concerned Head of Department

CHAPTER 16

PURCHASE POWERS OF HEADS OF DEPARTMENTS AND CONSTITUTION OF DEPARTMENTAL PURCHASE COMMITTEES

Introduction

16.1 The Heads of Departments (HODs) are classified into 3 groups on the basis of the approximate value of the purchases they are making each year.

Group I	Heads of Departments who usually purchase stores worth ₹ 1 crore or more in a year
Group II	Heads of Departments who usually purchase stores worth between ₹ 20 lakh to ₹ 1 crore a year
Group III	Heads of Departments who usually purchase stores worth below ₹ 20 lakh a year

Purchase Powers

16.2 The Administrative Department of the Secretariat may without previous consultation with Finance Department sanction expenditure, which does not exceed ₹ 100 lakh in respect of purchase of stores other than for works, computer & peripherals and furniture and in the case of Computer and peripherals (except laptop computers) sanction expenditure which does not exceed ₹ 50 lakh subject to budget provision being available and Stores Purchase Rules being observed (large scale purchase of computers is to be effected only after ensuring that all requirements for computerization with respect to both software and hardware are fully satisfied following the guidelines issued on the basis of the recommendations of the PAC vide Circular No.25/2006/Fin. Dated 01.06.2006).

16.3 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.

16.4 The Administrative Department of the Secretariat may without previous consultation with Finance Department sanction repair of equipment and small machineries upto ₹3 lakh subject to production of essentiality certificate from the respective Engineer as the case may be. The Administrative Department of the Secretariat may without consultation with Finance Department sanction Temporary Advance up to ₹ 10,000/- subject to the condition stipulated in Article 99 KFC Vol. I.

Applicable Law

15.4 The contracts shall be interpreted in accordance with the laws of the Union of India.

Legal Advice

15.5 While processing a case for arbitration, the purchase department is to take legal advice, at appropriate stages from competent authorities like the Department of Law.

Panel of Arbitrators

15.6 For quick settlement of disputes the State Government shall constitute a panel of arbitrators and an updated list may be published in the website of Stores Purchase Department.

CHAPTER 15
SETTLEMENT OF DISPUTES

General

15.1 Normally, there should not be any scope of dispute between the purchaser and the supplier after entering into a mutually agreed valid contract. However, due to various unforeseen reasons, problems may arise during the progress of the contract leading to disagreement between the purchaser and the supplier. Therefore, the conditions governing the contract shall contain suitable provision for settlement of such disputes/differences binding on both the parties.

Mode of Settlement

15.2 Mode of settlement of such disputes/differences shall be through Arbitration. However, when a dispute/difference arises, both the purchaser and the supplier shall first try to resolve the same amicably by mutual consultation. If the parties fail to resolve the dispute by such mutual consultation within twenty-one days, then, depending on the position of the case, either the purchaser or the supplier shall give notice to the other party of its intention to commence arbitration as hereinafter provided:

(i) When the contract is with domestic supplier, the applicable arbitration procedure will be as per Indian Arbitration and Conciliation Act, 1996.

(ii) When the contract is with foreign supplier, the supplier has the option to choose either Indian Arbitration and Conciliation Act, 1996 or Arbitration in accordance with the provision of UNCITRAL (United Nations Commission on International Trade Law) Arbitration Rules.

Venue of Arbitration

15.3 The venue of arbitration shall generally be the place from where the contract has been issued except when foreign supplier opts for Arbitration, in accordance with the provision of UNCITRAL, Arbitration Rules, the venue can be a neutral country.

performance security will be released only after assessing the liabilities if any due to the defective supply/non supply or violation of any of the terms and conditions of the agreement.

Monitoring of Securities and other Instruments

14.9 Proper procedure for safe custody and monitoring of bank guarantees and other instruments should be laid down by the Stores Purchase Department and all purchasing departments should follow the procedures.

Closure of Purchase File

14.10 On completion of all activities against a contract, the purchase file should be preserved in the record room and destroyed after expiry of the applicable mandatory retention period with the approval of the competent authority.

related legal complication. It is, therefore, necessary for the purchase department to keep a proper watch and coordinate all such activities to avoid any bottleneck or problem in the passage of the contract.

Amendment to Contract

14.6 Many a time, due to various reasons, changes and modifications are needed even in a duly concluded contract. Requests for such changes and modifications mostly emanate from the supplier. Immediately on receiving such a request, the purchase department shall examine the same and take action as necessary with the approval of the Stores Purchase Department. Any amendment to contract terms requested by the supplier may have, *inter alia,* financial impact and/or technical impact and/or legal impact. Therefore, before agreeing to the request of the supplier, the purchase department should scrutinize the issue on its merits to ensure that the requested amendment will not have any adverse effect on the purchase department. Financial concurrence should be obtained before issuing any amendment having financial implications/repercussions. Further, there may be an occasion where consultation with Government will be necessary before issuing the proposed amendment. The Department/Officer should process such issues, as deemed fit, depending on the merit of the case.

Payment to the Supplier

14.7 Purchase department shall ensure that all the payments due to the firm including release of EMD/performance security are made on priority basis without avoidable delay after the contract has been fulfilled. An appropriate time schedule may be prescribed by the Stores Purchase Department for this purpose to be acted upon by the concerned purchase officers (refer para 8.16 also).

14.8 After a contract has been fulfilled and payment made, the performance security should be released or refunded to the contractor/firm without delay. As a rule, the performance security should be released or refunded within a period of three months of the expiration of the contract. In case of Rate Contract/Running contract Performance security should be released only after the Guarantee period and

CHAPTER 14
CONTRACT MANAGEMENT

Introduction

14.1 Contract Management involves monitoring the implementation of a contract after it is placed to ensure timely completion of all the supplies and related services shown in the contract as per terms & conditions incorporated therein.

Text of Contract

14.2 The essential requirement for ensuring a trouble free contract management is placement of contract with unambiguous and transparent terms & conditions, which have already been agreed to by both the purchaser and the supplier in writing.

Performance Security

14.3 The purchaser is to ensure that the supplier receiving the contract furnish the required Performance Security in the prescribed form by the specified date, failing which necessary action including forfeiture of the Earnest Money Deposit is to be taken against the supplier.

Acknowledgement of Contract

14.4 The supplier should acknowledge and unconditionally accept the contract within the specified days from the date of issue of contract. While acknowledging the contract, the supplier may raise some issues and/or ask for some modifications against some entries in the contract; such aspects shall be immediately looked into for necessary action and, thereafter, supplier's unconditional acceptance of the contract obtained. If both the parties (viz. the purchaser and the supplier) simultaneously sign the contract across the table, further acknowledgement from the supplier is not required.

Coordination

14.5 All the authorities, who are entrusted with some responsibilities and also to perform some duties in terms of the contract are to work in unison in a coordinated manner to ensure completion of the contract without any time overrun, cost overrun and

Supply of Articles in the High Ranges

13.22 The Supply of articles in the High Range may be arranged locally or otherwise as considered best by the authorities concerned.

Purchase of Furniture

13.23 Heads of Departments and Offices should see that the wooden furniture required for the offices and the institutions under their control is made of superior wood only, such as teak, hard wood, processed rubber wood, etc.

13.24 Officers authorized to make local purchase of furniture, when satisfied that such a measure is justified, arrange the supply of furniture locally up to the extent they have been empowered. Care should be taken to see that orders for the requirements of any one year are not split up with a view to place the order locally.

Examination of Contracts by Accountant General

13.25 The Accountant General in the exercise of his functions in audit can examine contracts settled by the Department and report to the Government the facts of any case that come to his notice, in which competitive tenders were not invited though they should have been invited under the rules or a tender other than the lowest was accepted without sufficient justification or any other material irregularity which has been committed in connection with a contract.

(i) Rate Contract No. and date.
(ii) Quantity (where there is more than one consignee, the quantity to be despatched to each consignee is to be indicated).
(iii) Price.
(iv) Date of Delivery by which supplies are required.
(In the supply order, a definite delivery date based on the delivery period stipulated in the rate contract is to be provided).
(v) Full address of the purchase department along with telephone. No., Fax No. and E. mail address.
(vi) Complete and correct designation and full postal address of the consignee(s)/goods receiving officer(s) along with telephone No., Fax No. and E-mail address.
(vii) Nearest Railway Siding (NRS) of the consignee(s).
(viii) Despatch instructions
(ix) Designation and address of the inspecting officer.
(x) Designation and address of the paying authority to whom the bills are to be raised by the supplier

Renewal of Rate Contracts

13.20 It should be ensured that new rate contracts are made operative right after the expiry of the existing rate contracts without any gap for all rate contracted items. In case, however, it is not possible to conclude new rate contracts due to some special reasons, timely steps are to be taken to extend the existing rate contracts with same terms, conditions etc. for a suitable period, with the consent of the rate contract holders. Rate contracts of the firms, who do not agree to such extension are to be left out. Period of such extension should generally not be more than three months. Also, while extending the existing rate contracts, it shall be ensured that the price trend is not lower.

Negotiated Contracts

13.21 When owing to greater promptitude of supply, by particular agencies of special manufacturer of some articles by certain firms, substantial economy can be effected by deviating from the tender system. Officers, may, after negotiation, purchase direct such articles from the firms or agencies concerned. This rule will apply only to patents and specialties to which tender system cannot be applied with advantage.

currency of the rate contract, the rate contract price will be automatically reduced with effect from that date for all the subsequent supplies under the rate contract and the rate contract amended accordingly. Other parallel rate contract holders, if any, are also to be given opportunity to reduce their price as well, by notifying the reduced price to them and giving them 15 (fifteen) days time to intimate their revised prices, if they so desire, in sealed cover to be opened in public on the specified date and time and further action taken as per standard practice. On many occasions, the parallel rate contract holders attempt to grab more orders by unethical means by announcing reduction of their price (after getting the rate contract) under the guise of Fall Clause. This situation is also to be dealt with in similar manner as mentioned in the preceding paragraph.

13.17 It is however, very much necessary that the purchase departments keep special watch on the performance of such rate contract holders who reduce their prices on one pretext or other. If their performances are not upto the mark, appropriately severe action should be taken against them including deregistering them, suspending business deals with them, etc.

Performance Security for Rate Contract

13.18 Depending on the anticipated overall drawal against a rate contract and, also, anticipated number of parallel rate contracts to be issued for an item, the Department shall consider obtaining performance security of reasonable amount from the rate contract holders. A suitable clause to this effect is to be incorporated in the tender enquiry documents. Performance Security shall, however, not be demanded in the supply orders issued against rate contracts.

Placement of Supply Orders for Rate Contract

13.19 Supplies are to be obtained against a rate contract by placing on the rate contracted firm supply order containing the quantity of the goods to be supplied and incorporating the prices and other relevant terms and conditions of the rate contract. The officials placing such supply orders should be duly competent and authorized to do so. Copies of supply order are to be endorsed to all concerned. A supply order should generally contain the following important details:

purchase department during procurement planning stage for incorporation in the corresponding tender enquiry documents.

Special Conditions Applicable for Rate Contract

13.15 Some conditions of rate contract differ from the usual conditions applicable for ad hoc contracts. Some such important special conditions of rate contract are given below:

(i) In the Schedule of Requirement, no quantity is mentioned; only the anticipated drawal may be mentioned without any commitment.
(ii) The Store Purchase Department reserves the right to conclude more than one rate contract for the same item.
(iii) The Store Purchase Department as well as the supplier may withdraw the rate contract by serving suitable notice to each other. The prescribed notice period is generally thirty days.
(iv) The Store Purchase Department has the option to renegotiate the price with the rate contract holders.
(v) In case of emergency, the Purchasing department may purchase the same item through ad hoc contract with a new supplier.
(vi) Usually, the terms of delivery in rate contracts are FOR despatching station. This is so, because the rate contracts concluded by Stores Purchase Department are to take care of the users spread all over the state.
(vii) Supply orders, incorporating definite quantity of goods to be supplied along with all other required conditions following the rate contract terms, are to be issued for obtaining supplies through the rate contract.
(viii) The purchaser and the authorized users of the rate contract are entitled to place supply orders upto the last day of the validity of the rate contract and, though supplies against such supply orders will be effected beyond the validity period of the rate contract, all such supplies will be guided by the terms & conditions of the rate contract.
(ix) The rate contract will be guided by "Fall Clause" (as described in para 13.18).

Fall Clause

13.16 Fall clause is a price safety mechanism in rate contracts. The fall clause provides that if the rate contract holder reduces its price or sells or even offers to sell the rate contracted goods following conditions of sale similar to those of the rate contract, at a price lower than the rate contract price, to any person or organization during the

differ significantly among the products of different manufacturers and even between different models of the same manufacturer and where equitable comparison of prices of such products is not feasible. Such Rate Contracts are to be concluded on discount on Net Dealer Price (NDP) basis.

Period of Rate Contract

13.12 The period of a Rate Contract should normally be one year for stable technology products. However, in special cases, shorter or longer period may be considered. As far as possible, termination period of rate contracts should be fixed in such a way as to ensure that budgetary levies would not affect the price and thereby frustrate the contracts. Attempts should also be made to suitably stagger the period of rate contracts through out the year.

Criteria for Award of Rate Contract

13.13 Rate Contracts shall be awarded to the firms who are registered for the goods in question and fulfill the laid down eligibility and qualification criteria including availability of ISI mark, service centres across the country, etc. Suitable stipulations are to be incorporated in the tender enquiry documents to this effect. In respect of new items being brought on rate contract for the first time where there is no registered supplier (for the subject items), the requirement of registration can be relaxed with the approval of competent authority. The award of such rate contracts will, however, be subject to the suppliers' satisfactory technical and financial capability.

13.14 Some of the tenderers (who are otherwise registered for the subject goods) may also be holding current rate contracts and/or held past rate contracts for the required goods. Their performance against such earlier/current rate contracts shall be critically reviewed before they are considered for award of new rate contracts. Specific performance and achievement criteria as on a selected cut-off date is to be evolved for this purpose and incorporated in the tender enquiry document. The tenderers will be asked to furnish the relevant details (along with their tenders) to enable the purchaser to judge their performance and achievement against the past/current rate contracts. These criteria are to be evolved and decided by the

13.8 In respect of the rate contracts concluded by Directorate General of Supplies & Disposals, the Departments of the State Government are entitled to operate as Direct Demanding Officers. If any of the State Government Departments are interested in availing these facilities they may address the Directorate General of Supplies & Disposals intimating the names of officers along with designations and addresses for declaring them as Direct Demanding Officers and also indicate the items of rate contract in which they are interested. The names and full address of the Accounts Officers with whom the accounting has to be done by the Controller of Accounts should also be indicated. The State Government undertakings can also make their purchases, through the Directorate General of Supplies & Disposals either as pre-deposit parties or as revolving deposit parties. Otherwise they have to place their indents on Directorate General of Supplies & Disposals along with Demand Drafts in favour of the Controller of Accounts concerned towards the estimated cost of stores + 1 per cent departmental charges.

13.9 In the case of items for which rate/running contracts settled by the Stores Purchase Department exist or a running contract settled by the Head of a Department exists, it is obligatory for Government Departments to avail themselves of those contracts. The agreement form to be used in the case of running rate contract is given in Annexure 32.

Bringing more and more common user items on the Rate Contract

13.10 The Stores Purchase Department shall bring more and more common user items on rate contracts. For this purpose, regular interactions should be held by Stores Purchase Department with the trade and the user departments. There shall be a Standing Review Committee (SRC), coordinated by the Stores Purchase Department consisting of representatives of major indenting departments, trade organizations, prospective suppliers, etc., to consider bringing new items on rate contracts.

Conclusion of Rate Contracts for Automobiles, sophisticated Equipment, Machinery, etc., on the basis of discounts on Net Dealer Price

13.11 The Departments will conclude rate contracts for Automobiles, Machine Tools, Information Technology Products, OEM & Ancillary Spares and similar products where the design feature, performance parameters, etc., of such products/goods

and the contractor is bound to accept any order which may be placed upon him at the rates specified within the contract period. As a reciprocal consideration, the Government undertakes to order from the contractor all stores under the contract which are required to be purchased, subject to certain reservations for submitting prices to competition and for dividing the contract between one or more contractors.

13.5 Rate contracts should be settled for such articles as are required frequently by many Departments during the course of a year for which the quantity cannot be forecast. Rate contracts also may be settled for one year or shorter definite period. Indenting Officers can draw their requirement direct from the contractors as and when required. Steel furniture, steel cupboards and safes, Motor Truck batteries and Tubular batteries of UPS, Tyres of Motor Vehicles, etc.., are some of the items coming under this group. No exemption from earnest money deposit or performance security will be granted in respect of rate contract, irrespective of the amount involved.

13.6 Running contracts may be settled by Heads of Departments and Departmental Purchase Committees, but rate contracts will be settled by the Stores Purchase Department only.

13.7 The Directorate General of Supplies & Disposals (DGS&D), New Delhi is concluding every year rate and/or running contract for a number of articles. Purchasing Officers can avail themselves of these contracts, wherever it is economical and easier to do so. They should keep themselves conversant with the rules and procedure of the D.G.S. & D Rate Contracts. The Stores Purchase Department is also concluding every year rate contract for a number of articles. In respect of purchase as per rate contracts settled by the Director General Supplies and Disposals and the State Government, purchase sanction from Government is not necessary even if the value of the purchase exceeds the purchase power of the Purchasing officer provided that it is specified while issuing administrative sanction that the purchase will be made as per D.G.S. & D./State Rate Contracts. In such cases, the selection of the type and make of the articles to be purchased will be made by the Purchasing Officers. It is not necessary to mention the name of the firm or description of stores, etc., in the administrative sanction issued for the purchase.

CHAPTER 13
OTHER MODES OF PURCHASE

Rate or Running Contract

13.1 All Stores of standard types other than those required in small quantities only, which are in common and regular demand and the prices of which are not subject to appreciable market fluctuations may be purchased on the basis of a Rate or Running Contract, whichever is most suited to the circumstances of each particular case.

13.2 In the case of articles which cannot be stocked conveniently in the departmental store with safety and convenience, the system of Running Contracts should be adopted. A **Running Contract** is a contract for the supply of an approximate quantity of stores at a specified price during a certain period. The approximate requirements of a number of indenters for the period in question are combined by the Department and the contracts provides that any of these indenters may demand his requirements at any time or at specified periods during the currency of the contract either direct from the firm or by indent on the Department. In terms of the conditions governing these contracts the purchaser has the right to take a certain quantity (usually 25 per cent) over or below the approximate quantity mentioned in the contract. Drawals against these contracts should be carefully watched and the guaranteed quantity (usually 75 per cent of the contractual quantity) taken at before the expiry of contract.

13.3 Running contracts may be settled for the supply of articles at intervals during a whole year or a part thereof. Dietary articles, firewood, charcoal, raw materials for Ayurvedic medicines etc. come under the group. In settling running contracts all the rules relating to the ordinary contracts like invitation of tenders, earnest money., etc., should be followed, and in addition special provision should be made to safeguard Government interests and to ensure regular supplies. It is important that for all running contracts, tenders with earnest money should be invited irrespective of the amount involved and that performance security are also furnished by the Contractors.

13.4 **A Rate Contract** is a contract for the supply of stores at specified rates during the period covered by the contract. No quantities are usually mentioned in the contract,

Deduction of Income Tax, Service Tax, etc. at Source from Payments to Suppliers

12.29 This will be done as per the existing law in force during the currency of the contract.

Recovery of Public Money from Supplier's Bill

12.30 Sometimes, requests are received from a different Department for withholding some payment of a supplier out of the payment due to it against a contract. Such requests are to be examined by the Department (which has received the request) on the merits of the case for further action. It will however, be the responsibility of the Department asking for withholding of payment to defend the Government against any legal procedure arising out of such withholding as also for payment of any interest thereof.

Refund from Supplier

12.31 Sometimes, the suppliers, after claiming and receiving reimbursements for sales tax, excise duty, custom duty etc. from the purchaser, applies to the concerned authorities for refunds, on genuine grounds, of certain portions of such duties and taxes paid by it and receives the allowable refunds. Such refunds contain the purchaser's share also (out of the payments already made by the purchaser to that supplier). The tender enquiry document and the contract are to contain suitable provisions for obtaining such refunds from the supplier.

Payment against Time Barred Claims

12.32 Payment against Time Barred Claims will be settled as per the provisions under Article 56, Volume 1 of the Kerala Financial Code.

Payment by Letter of Credit

12.26 Payment to foreign suppliers are ordinarily made by Letters of Credit (LC) opened by the State Bank of India/State Bank of Travancore /authorized Bank as decided by the purchasing department. While opening the Letters of Credit, the Department should follow the provision of Uniform Customs and Practices for Documentary Credit (UCPDC). If Letter of Credit is not opened, payment can also be made to the seller through Direct Bank Transfer for which buyer has to ensure that payment is released only after the receipt of prescribed documents.

12.27 Two banks are involved for payment to the supplier by Letter of Credit – purchaser's bank and supplier's bank. The purchaser is to forward the request to its bank in the prescribed format as formulated by State Bank of India/State Bank of Travancore, along with all relevant details including authenticated copy of the contract. Based on the same, the purchaser's bank opens letter of credit on behalf of the purchaser for transacting payment to the supplier through the supplier's bank. Care should be taken to ensure that the payment terms and the documents to be produced for receiving payments through letter of credit are identical with those shown in the contract. Generally, irrevocable letter of credit is opened so that the supplier is fully assured of its payment on fulfilling its obligations in terms of the contract. In case, the delivery date of the contract is extended to take care of delay in supply, for which supplier is responsible, the tenure of the letter of credit is also to be extended, but the expense incurred for such extension (of letter of credit) is to be borne by the supplier.

E – Payment

12.28 E - Banking and E - Payments are now used by various banks by adopting Electronic Clearing System (ECS) and Electronic Fund Transfer (EFT) procedure. Payments to suppliers may be made through such mechanism where such facilities are available. The Central Vigilance Commission has also instructed that the payment to all suppliers/vendors, refunds of various nature, and other payments shall be made through electronic payment mechanism at all centres where such facilities are available in the banks, so as to avoid delay and curb malpractices (refer Order No. 98/ORD/1 (Office Order No. 20/4/04), dated the 6th April, 2004, given in Appendix).

(iii) In respect of foreign orders in which payment of a portion or full value of the articles against shipping documents or on arrival of the goods at the port is stipulated in the contract, under proper authority, such payments will be authorized by the Accountant General immediately on receipt of information from the purchasing officer that the documents have been received by the bank from the suppliers or that the goods have arrived at the port. The balance value, if any, will be arranged to be paid on receipt by the Accountant General on a requisition from the purchasing officer with the necessary certificates in the invoice.

(iv) In the case of balances withheld in the first instance from the firms' invoices and which have to be authorized for payment after verification of the materials by Departments, the Officers concerned should see that the materials are verified immediately on receipt and that requisitions to the Accountant General for the payment of the balances withheld are issued not later than a month from the date of receipt of the materials.

(v) In cases in which there is no agreement regarding payment in advance, payment will be arranged only after the articles have been actually received and brought to account.

(vi) In the case of advance payment to be made with order or during the course of manufacture or before despatch of materials the prior sanction of Government is necessary.

(vii) Since payments in any foreign currency require the sanction of the Government of India, no Purchasing Officer should make any commitments to pay in foreign currency before obtaining such sanction.

(viii) 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.

as otherwise claims for interest might arise ending in litigation. Also, firms have to incur some expenditure for financing a transaction and to the extent they are able to effect a saving of financing cost by getting prompt payment, they would be able to pass on the saving to the purchaser. Inordinate delays in payment affect the fair name of the administration and the firms also tend to quote harsher terms and higher prices where they anticipate delay. Prompt payment is, therefore, very important in bringing about economy in purchases.

NOTE: In the case of MSME units the payment should be effected within 30 days, from the date of receipt of stores.

12.24 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 payment-in-slips issued by the bank) alone may be accepted as a valid proof for the payment made.

Payment to Foreign Suppliers

12.25 Payments to foreign suppliers should be made in rupees in India. Payment in any other currency and in any other country requires prior sanction of Government. The payments may be effected as per the provisions given below:

(i) Payment to firms abroad is made by the Accountant General through the State Bank of India or any other Bank on production of invoices, etc., supported by the certificates of the inspection agents if any. The invoice received by the Purchasing Officer will be transmitted to the Accountant General after countersignature by competent authority with the stock certificates and the head of debit noted thereon.

(ii) Payment for supplies arranged by India Store Department, London or the India Supply Mission, Washington will be made in accordance with the terms of payment agreed to by those bodies with the contractors. All such payments will be arranged by the Accountant General.

12.20 Payment prior to verification of quantity and quality of material is permissible only in very exceptional cases in which the operation of the rule in the above paragraph might result in hardship, as for example when costly stores are ordered from a distant firm and delay in payment is anticipated. In such cases a part of the cost of the consignments not exceeding 90 percent to a distant firm may be paid in advance on receipt of the railway receipt for despatch or bill of lading provided the firm or contractor is of well-known standing and provided a security bond is taken beforehand, with the contractor or firm to secure Government against all loss in the event of materials being found short or defective on checking. A standard form of security bond is given in Annexure 30. The said security bond is chargeable with stamp duty as provided in Article 50 of the Schedule to the Kerala Stamp Act, 1959 (Act 17 of 1959) as amended from time to time which is given as Annexure 31.

12.21 In very exceptional cases, payment up to the full value against proof of despatch may be made with the prior sanction of Government subject to the conditions mentioned in 12.9 above. Heads of Departments may however effect 100 per cent payment in very exceptional cases provided the amount involved is less than ₹ 50000/- and subject to the conditions mentioned in 12.9 above.

12.22 The Officer who maintains the stock register must himself receive new stock. Whenever a new purchase had been sanctioned and the bill for drawing the money required is ready, it must be forwarded to the officer entrusted with the maintenance of the stock register, who should certify on the office copy of the bill that the new purchase in question has been duly taken on to the stock account. In those rare cases in which, it is not possible to receive stock before payment is made, e.g. when articles are received by rail, or post and payment is made against documents, the officer-in-charge of stock accounts should verify the new stock on receipt and furnish a certificate of verification which should be filed with the office copy of the bill concerned.

12.23 Payment should be made immediately after the stores are taken to stock. In no case should the payment be delayed for more than two months from the date or receipt of stores. If in any case delay in payment is anticipated, the paying officer should intimate the supplier concerned the reasons for such delay. It is important that payment of bills should be made as expeditiously as possible after their presentation,

Documents for Payment

12.18 The documents, which are needed from the supplier for release of payment, are to be clearly specified in the contract. The paying authority is also to verify the documents received from the supplier with corresponding stipulations made in the contract before releasing payment. The important documents, which the supplier is to furnish while claiming payment, are:

(i) Original Invoice
(ii) Packing List
(iii) Certificate of country of origin of the Stores to be given by the seller or a recognized Chamber of Commerce or other agency designated by the local Government for this purpose.
(iv) Certificate of pre-despatch inspection by purchaser's representative
(v) Manufacturer's test certificate
(vi) Certificate of Insurance
(vii) Bill of lading/Airway bill/Rail receipt or any other despatch document, issued by a government agency (like the Department of Posts) or an agency duly authorized by the concerned Department.
(viii) Product is new, un-used and also meets the other relevant contractual requirements. While claiming payment, the supplier is also to certify in the bill that the payment being claimed is strictly in terms of the contract and all the obligations on the part of the supplier for claiming this payment has been fulfilled as required under the contract. There should also be a suitable provision for verification of the authenticity of the person signing the invoice etc. for claiming the payment.

Modes of Payment

Payment for Stores Purchased In India

12.19 As a general rule payment for supplies is not permissible unless stores have been received, verified and taken to stock and provision for the observance of this rule should ordinarily be made in all contracts for the supply of goods.

days of successful installation and commissioning at the consignee's premises and acceptance by the consignee.

12.14 **Payment of Agency Commission against FOB/FAS Contract –** Entire 100% agency commission is generally paid after all other payments have been made to the supplier in terms of the contract.

Payment of Air Freight Charges

12.15 Stores that are required to be air lifted are to be despatched through Air India/Indian Airlines only on a `Charge forward basis'. All air freight charges, which are shown on the relevant consignment note as chargeable to the consignee, are to be paid to Air India/Indian Airlines in Rupees.

Advance Payment to Supplier

12.16 Ordinarily, payments for supplies made or services rendered should be released to the supplier only after the supplies have been made or services have been rendered. However, it may become necessary to make advance payments in the following types of cases: -

(i) Advance payment demanded by firms holding maintenance contracts for servicing of Air-conditioners, computers, other costly equipment, etc.

(ii) Advance payment demanded by firms against fabrication contracts, turn-key contracts, etc.

Such advance payments should not exceed the following limits:

a) Thirty per cent of the contract value to private firms;

b) Forty per cent of the contract value to a State or a Public Sector Undertaking;

c) In case of maintenance contract, the amount should not exceed the amount payable for six months under the contract.

12.17 In exceptional cases, the Departments may, in consultation with Finance Department, relax the ceilings mentioned above. However, while making any such advance payment, adequate safeguards in the form of bank guarantee etc. should be obtained from the supplier. Further, such advance payments should be *generally* interest bearing, suitable percentages for which are to be decided on case to case basis.

indicate correctly the rate of custom duty applicable for the Stores in question and the corresponding Indian Customs Tariff Number. Where customs duty is payable, the contract should clearly stipulate the quantum of duty payable etc. in unambiguous terms. The standard clauses to be utilized for this purpose are to be incorporated in the tender enquiry documents. The Government of India has allowed exemption from payment of customs duty in respect of certain types of Stores for use by the following organizations:

(i) Scientific and technical instruments imported by Research Institutes.
(ii) Hospital equipment imported by Government Hospitals.
(iii) Consumable Stores imported by a public funded Research Institution or a University.

12.10 However, to avail of such exemptions, the organizations are required to produce "Custom Duty Exemption" certificate and "Not Manufactured in India" certificate at the appropriate time. The relevant contemporary instructions covering these aspects should be incorporated in the tender enquiry document and in the resultant contract.

Duties/Taxes on Raw Materials

12.11 The purchaser is not liable to any claim from the supplier on account of fresh imposition and/or increase (including statutory increase) of excise duty, custom duty, sales tax etc. on raw materials and/or components used directly in the manufacture of the contracted Stores taking place during the pendency of the contract, unless such liability is specifically agreed to in terms of the contract.

Terms of Payment for Imported Stores

12.12 **Cases where Installation, Erection and Commissioning (if applicable) are not the responsibility of the Supplier –** 100 % net FOB/FAS price is to be paid against invoice, shipping documents, inspection certificate (where applicable), manufacturers' test certificate, etc.

12.13 **Cases where Installation, Erection and Commissioning are the responsibility of the Supplier –** 80% - 90% net FOB/FAS price will be paid against invoice, inspection certificate (where applicable), shipping documents etc. and balance within 21 - 30

quotation mentions that the prices are exclusive of statutory duties & taxes and the same will be payable extra, this condition should be incorporated in the resultant contract in clear terms. At times, the tenderer, in its tender, mentions that its quotation includes current rates of taxes and duties as applicable and that statutory variations, if any at the time of supply, will be applicable. This condition may be acceptable. However, correctness of the taxes and duties quoted by a tenderer as applicable during that period is to be verified while considering its tender. Also, only statutory variations, and not any other type of variations are allowed.

NOTE: VAT is not leviable on transactions of sale in the course of import. Categories of cases constituting sale in course of Import are:

a) Where the movement of Stores from the foreign country to India is occasioned directly as a result of the sale.
b) Where there is a privity of contract between the foreign supplier and the purchase department.
c) Where the Indian supplier acts as the agent of the foreign manufacturer in the agreement of the sale.

Levies of Local Bodies

12.8 The Stores supplied against contracts placed by Departments are generally exempted from Levies of local bodies. The suppliers should be informed accordingly by incorporating suitable instructions in the tender enquiry document and in the resultant contract. Wherever required, the suppliers should obtain the exemption certificate from the purchase department to avoid payment of such levies and taxes. In case, where the municipality or the other local bodies insist upon such payments (in spite of purchase department's exemption certificate), the supplier should make the payment to avoid delay in supplies and forward the receipt of the same to the purchase department for reimbursement and, also, for further necessary action by the purchase department.

Custom Duty on Imported Stores

12.9 In respect of imported Stores, the tenderers shall also specify separately the total amount of custom duty included in the quoted price. The tenderers should also

above will be according to the Trade Terms Selling Rates of Exchange as quoted by authorized Exchange Bankers approved by the Reserve Bank of India on the dates in question. No variation in price in this regard will be allowed if the variation in the rate of exchange remains within the limit of plus/minus 5 percent. Any increase or decrease in the Customs Duty by reason of the variation in the rate of exchange in terms of the contract will be to the buyer's account. In case delivery period is refixed/ extended, ERV will not be admissible, if this is due to default of the supplier. The purchase department may formulate an appropriate ERV clause on similar lines as above in consultation with their Finance Wing." The following documents should be furnished by the supplier for claiming ERV:

(i) A bill of ERV claim enclosing working sheet
(ii) Banker's Certificate/debit advice detailing foreign exchange paid, date of remittance and exchange rate
(iii) Copies of import order placed on supplier
(iv) Invoice of supplier for the relevant import order

Duties and Taxes on Domestic Stores

12.7 The duties and taxes including excise duty and VAT levied by the Government on domestic Stores vary from product to product. As a general policy, the statutory variations in such duties & taxes are to be allowed during the period from the date of tender to the date of acceptance of the tender (i.e. placement of contract) and during the original/re-fixed delivery period of the contract so that both the supplier and purchaser are equally compensated for rise or fall in the prices of the Stores on account of such statutory variations. (Note: Re-fixed delivery period means the fresh delivery period which is arrived at by recasting the original contractual delivery period after taking care of the lost period, for which the supplier was not responsible. In the tender enquiry conditions, the tenderers, wherever applicable, should be asked to specifically state in their offer whether they intend to ask for the duties and taxes as extra over and above the prices being quoted. In the absence of any indication to this effect by the tenderers, it is to be assumed that the prices quoted include these elements and no claim for the same will be entertained after opening of tenders and during the currency of the resultant contract. However, where the tenderer in its

price agreed upon should specify the base level viz, the month and year to which the price is linked, to enable variations being calculated with reference to the price levels prevailing in that month and year. A formula for calculation of price variation that has taken place between the base level and the scheduled delivery date is to be included in the price variation clause. The variations are to be calculated by using indices published by Governments/Chamber of Commerce periodically. Suitable weights are to be assigned to the applicable elements viz. fixed overheads & profits, material and labour in the price variation formula. If the production of the Stores needs more than one raw material, then the input cost of material may be further sub-divided for different categories of material, for which cost indices are published. The price variation formula is also to stipulate a minimum percentage of variation of the contract price, only above which the price variation will be admissible (e.g., where the resultant increase is lower than, say, 2% of the contract price, no price adjustment will be made in favour of the supplier).

12.5 The price variation formula, as and if necessary, should be formulated by a competent authority before incorporating the same in the tender enquiry document.

Exchange Rate Variation (ERV)

12.6 In case of a contract involving substantial import content(s) and having a long delivery period (exceeding one year from the date of contract), an appropriate Foreign Exchange Variation clause may be formulated by the Stores Purchase Department in consultation with the Finance Department, as needed, and incorporated in the Tender Enquiry Document. In that clause, the tenderers are to be asked to indicate import content(s) and the currency(ies) used for calculating the value of import content(s) in their total quoted price, which (i.e. the total quoted price) will be in Indian Rupees. The tenderers may be asked to indicate the Base Exchange Rate for each such foreign currency used for converting the foreign exchange content into Indian Rupees and the extent of foreign exchange rate variation risk they are willing to bear. To work out the variation due to changes (if any) in the exchange rate(s), the base date for this purpose can be the due date of opening of tenders. The variation may be allowed between the above base date and the date of remittance to the foreign principal. The applicable exchange rates as

CHAPTER 12
ELEMENTS OF PRICE AND TERMS OF PAYMENT

Introduction

12.1 The elements of price included in the quotation of a tenderer depend on the nature of the Stores to be supplied and the allied services to be performed, location of the supplier, location of the user, terms of delivery, extant rules and regulations about taxes, duties, etc. of the seller's country and the buyer's country.

12.2 In case of indigenous Stores, the main elements of price are raw material price, production cost, overhead, packing & forwarding charges, margin of profit, transit insurance, excise duty and other taxes and duties as applicable.

12.3 In case of imported Stores, in addition to similar elements of price as above (other than excise duty and taxes), there may be elements of custom duty, import duty, landing and clearing charges and commission to Indian agents. Further, depending on the nature of the Stores (whether domestic or imported), there may be cost elements towards installation & commissioning, operator's training etc. It is, therefore, necessary that, to enable the tenderers to frame their quotations properly in a meaningful manner, the tender documents should clearly specify the desired terms of delivery and, also the duties and responsibilities to be performed by the supplier in addition to supply of Stores. Where the price has several components like price of the Stores, costs for installation & commission, operators' training etc. the tenderers should be asked to furnish the cost break-up indicating the applicable prices for each such component (as specified and desired in the tender enquiry document) along with the overall price.

Firm Price vis-à-vis Variable Price

12.4 For short term contracts where delivery period does not extend beyond 18 months, contract should be concluded with firm and fixed price by inviting tenders accordingly. Where it is decided to conclude the contract with variable price, an appropriate clause incorporating, *inter alia*, suitable price variation formula should also be provided in the tender enquiry documents. In the price variation clause, the

contractual terms & conditions and no new condition should be adopted while rejecting the Stores during final inspection.

Acceptance of Stores vis-à-vis Warranty Provisions

11.16 Stores accepted by the purchaser at initial inspection and in final inspection in terms of the contract shall in no way dilute purchaser's right to reject the same later, if found deficient in terms of the warranty clause of the contract.

Joint Investigation against Complaints relating to Quality of Stores

11.17 In case a written complaint is received from the supplier disputing rejection of Stores by the purchaser's inspecting officer, the same should be jointly investigated by a team consisting of an authorized representative of the purchase department, a senior representative of the inspecting agency, who is well conversant with the Stores and an authorized representative of the supplier. Detailed procedure to be followed in this regard and the format of the joint inspection report (to be signed by all the team members) are to be prescribed by the purchasing Department and the matter processed accordingly for further necessary action.

Measures to curb the menace of counterfeit and refurbished IT products

11.18 The CVC has issued advisory checkpoints to identify fraudulent practices in the supply of computer hardware and software and help guard against spurious and refurbished/duplicate/second hand components/parts/assembly/software being received by purchasers and consignees who may not have much technical knowledge. The advisory may be followed in the State, except in the case of Operating System (refer CVC Order No.007/CRD/008 (Circular No. 07/02/08), dated the 15th February 2008, in Appendix).

a) Franking Clause to be adopted in the case of Acceptance of Stores

"The fact that the Stores have been inspected after the delivery period and passed by the Inspecting Officer will not have the effect of keeping the contract alive. The Stores are being passed without prejudice to the rights of the purchaser under the terms and conditions of the contract."

b) Franking Clause in the case of Rejection of Stores

"The fact that the Stores have been inspected after the delivery period and rejected by the Inspecting Officer will not bind the purchase in any manner. The Stores are being rejected without prejudice to the rights of the purchaser under the terms and conditions of the contract."

Acceptance of Stores against Supplier's In-house Inspection Report and Warranty

11.14 In case of Stores to be imported from abroad, pre-despatch inspection of Stores at supplier's premises involves considerable expenditure to the purchaser. In such a situation, the purchaser may substitute pre-despatch inspection by its own inspector with manufacturer's in-house inspection report and warranty. However, before adopting this procedure, the nature and cost of the Stores ordered, the reputation of the supplier, etc. should also be kept in view and appropriate decision taken. For checking the reputation and background of the supplier, the purchase department may also request the Indian Embassy located in that country for a report on the technical and financial competence of the firm. Further, trustworthy publications like 'Thomas Register', 'Dun and Brad Street Register', etc. are also available in USA and Europe which provide authentic technical & financial data and details of the manufacturing companies located in those countries. Such publications may also be referred to this purpose.

Purchaser's Right of Rejection

11.15 Purchaser has the right to reject the Stores on receipt at site during final inspection though the Stores have already been inspected and cleared at pre-despatch stage by the purchaser's inspector. However, such rejection should be strictly within the

Custody of Inspection Notes

11.11 For reasons of security and to avoid irregular or incorrect issue, the inspection notes should be machine numbered and wherever possible different colour copies marked for each user. An account of the inspection notes issued with serial number wise details shall be maintained in an appropriate register. The Purchasing department should also develop a foolproof system to avoid any fraudulent and unauthorized use of the inspection notes, with the approval of Stores Purchase Department.

Inspection of Stores tendered at the fag end or on the last date of the Contract Delivery period

11.12 As far as possible, the inspection should be commenced and finished and inspection notes issued during the validity period of the contract so that the contract is not kept alive after expiry of delivery period. In cases where the supplier offers stores for inspection during the last few days of the contract delivery period or even on the last day of the contract delivery period, efforts should be made by the Inspecting Officer to commence the inspection before the expiry of the delivery period. In cases where it is not possible to commence/conclude the inspection before the expiry of the delivery period, the Inspecting Officer should immediately on receipt of the intimation or request for inspection of the stores, bring to the notice of the supplier orally as well as in writing that the stores have been submitted for inspection at the very late stage and that it is not possible to commence/conclude the inspection before the expiry of the delivery period.

11.13 The supplier should also be informed that the Stores offered for inspection will, however, be inspected till the completion of the inspection which can be after the expiry of the delivery period and such an inspection continuing after the expiry of the delivery period is neither intended nor is to be construed as keeping the contract alive. The Inspecting Officer should invariably issue such notice to avoid the contract being kept alive after the expiry of the delivery period. In a case, where the inspection is commenced before the expiry of the delivery period and the Inspection Note is issued after the expiry of the delivery period, the Inspection Note, whether accepting or rejecting the Stores, shall be duly franked as per the standard franking clause as given below as an abundant precaution against keeping the contract alive:

terms of the contract. The number of copies of the inspection notes and their distribution for different types of inspections will be as prescribed by the Department. Each inspection note issued shall invariably bear the name, stamp with designation and code No. of the officer authorized to sign and issue inspection documents.

Outside Testing Laboratories

11.9 Sometimes it becomes necessary for the purchase department to conduct type test, acceptance test or special test at outside laboratories, when facilities for these tests are not available in-house with the supplier or carrying out of confirmatory tests is considered desirable before accepting the Stores. Purchasing department should draw up a list of approved laboratories for this purpose, to whom the samples drawn from the lots offered by the supplier can be sent for tests. The list should also contain approved laboratories, which can be used as referral/appellate laboratories for retest, when samples tested at one laboratory are decided to be re-tested. The Department shall lay down a Liability Statement for cost of samples expended in tests, despatch of samples, transportation costs, test charges etc. in respect of samples tested at outside laboratories as applicable in various situations. In cases where the samples are to be tested at supplier's cost on account of non-availability of their own testing arrangements, the responsibility of depositing the testing fee, etc. would rest with the supplier.

Handling of Inspection Stamps/Inspection Documents

11.10 Each Inspecting Officer shall be supplied with Acceptance stamps, Lead Seals, Pliers, Rubber Stamps, Stencils, Labels, Stickers, Holograms, etc., according to the requirements, for sealing and marking the inspected Stores in terms of the contract. He will be responsible for safe keeping of these articles and shall ensure that they are not misused by unauthorized persons. Unserviceable Seals, Pliers, Stamps, stickers, Holograms etc. shall be returned to the concerned issuing official. The Purchasing Department shall lay down detailed guidelines covering all these aspects, with the approval of Stores Purchase Department.

(i) **Pre-despatch Inspection**: This type of inspection is conducted during the manufacturing process (which is known as Stage Inspection) and on the finished products before despatch of the Stores from supplier's premises.

(ii) **Inspection of Stores on receipt at consignee's / user's site**: Such inspection is done on receipt of Stores at site before accepting the same.

(iii) **Inspection after Installation & Commissioning of the equipment at site:** This method is adopted to check the performance and output of the equipment/ machinery after the same is commissioned at site.

Inspection Procedure

11.5 The inspection procedure will be as per the provisions contained in the contract.

11.6 After satisfactory inspection and tests, the acceptable Stores shall be stamped, labelled, marked or sealed, according to the circumstances in such a way as to make subsequent identification of accepted lots easy for the consignee/user. For Stores, not meeting the contract requirements the rejection inspection notes shall be issued immediately. A time limit shall be fixed for issue of inspection documents. Facsimile of the inspection stamps and their position should be put on the inspection notes to help identifying the inspected Stores at the consignee's end.

11.7 Departmental instructions should be followed in this regard. Departmental instructions should invariably prescribe that paying authorities will keep a record of specimen signature of authorized Inspecting Authorities for verifying the same with the signature in the inspection note while authorizing payment.

Inspection Document

11.8 Inspection notes in the form prescribed by the Department shall be issued in significance of the acceptance of the Stores. Inspection note should have provision for entering consignee's receipt certificate (confirming receipt of Stores) on it. Consignee's receipt certificate portion of the inspection notes shall be filled by the consignee after receipt of the Stores, verification of quantity and inspection marks on the accepted Stores and taking the supplies in its stocks, signifying its (i.e. consignee's) acceptance. Inspection note shall also indicate the validity period, by which period the supplier must despatch the accepted Stores to the consignee in

CHAPTER 11
QUALITY CONTROL AND INSPECTION OF ORDERED STORES

Introduction

11.1 Before accepting the ordered Stores, it must be ensured that the Stores have been manufactured as per the required specifications and are capable of performing the functions as specified in the contract. To achieve the same, the tender document and the subsequent contract should specify the details of inspection and tests to be carried and stages and manner for carrying out the same. When required (stores of sophisticated nature, machinery, equipment, etc.), the inspections and tests should be carried out by the technically qualified and competent personnel. If the purchasing Department does not have such qualified personnel, it may engage competent professionals from outside agencies. The Officer authorized to receive stores should himself verify the articles received with reference to the approved samples if any and take them to stock soon after they are received. Any article which is not new, or which does not conform to standard specification or to approved samples or which is different from those ordered for or which is damaged or defective in any respect should not be accepted.

11.2 Stores which arrive by ship or railway or any other mode of transport should be taken delivery of immediately after arrival to avoid demurrage etc. Sanction of Government is necessary to pay demurrage, subject to however, the powers delegated to the Purchasing Officers.

11.3 Any loss, shortage or damage or any defects noticed on checking stores should be promptly brought to the notice of all concerned. Any claim for loss etc., should be preferred on the suppliers or transporting agents or insurance company as the case may be, immediately after the stocks are received.

Stages and Modes of Inspection

11.4 The stages and modes of inspection will depend on the nature of the Stores, total value of the contract, location of the supplier, location of the user, etc. Usually, following types of inspection are adopted:

termination is to become effective. Suitable provisions to this effect are to be incorporated in the tender document as well as in the resultant contract.

Claims in respect of Imported Stores Lost or Damaged

10.39 Purchasing Officers should see that in the case of loss or damages of imported stores, claims are promptly made against the shippers, the landing and clearing contractors or the suppliers, according to circumstances or the Marine Insurance Company. A loss will be chargeable against Marine Insurance only when the responsibility for the loss or damage cannot be fixed on the shippers, the landing contractors or the suppliers and recoveries should be made accordingly. In any case, loss or damage has to be reported promptly to the authorities concerned.

10.40 The report of loss or damage should show the particulars contained in the instructions in the packing account viz., description of stores, details of numbers and, where necessary sizes and quantities, and when articles are missing the gross weights of packages as received. In all cases where defects noticed can be rectified locally the probable cost of such local repairs should be specified. The "details of recoveries" already effected or proposed to be effected should also be mentioned. If no recovery has been made the fact and reasons therefore should also be reported.

10.41 Marine Insurance does not cover risks after the moment when the stores leave the Ship's side i.e., during landing, and it is, therefore, essential that brittle stores such as stoneware, pipes, R.C. pipes, glassware etc. should be landed at places of safety. Such stores should be landed at the ports only when the risk of breakage is at a minimum. Indenting Officers should clearly indicate in their indents whether any of the indented articles should be so delivered.

10.42 In all cases in which stores from foreign countries are purchased, arrangements shall be forwarded at the earliest possible date to receiving agents or clearing agents if such agents are appointed; one set will be caused to be similarly sent to the indenting officer and the third set to the Secretary, Stores Purchase Department or the Head of the Department. On receipt of the shipping documents, the indenting officer will issue necessary instructions to the receiving agents in the matter of transmission of packages etc., copies of such correspondence being simultaneously forwarded to the Secretary, Stores Purchase Department or the Head of the Department.

which may be issued by the purchaser to ascertain the supply position, etc., after expiry of the delivery period is given at Annexure 29.

Cancellation of Contract for Default

10.35 The purchaser may, without prejudice to any other remedy for breach of contract, by written notice of default sent to the supplier, terminate the contract in whole or in part:

(i) if the supplier fails to deliver any or all of the stores within the time period(s) specified in the contract, or any extension thereof granted by the Purchaser; or

(ii) if the supplier fails to perform any other obligation under the contract within the period specified in the contract or any extension thereof granted by the purchaser.

10.36 In the event the purchaser terminates the contract in whole or in part; the purchaser may take recourse to any one or more of the following action.

(i) the Performance Security is to be forfeited;

(ii) the purchaser may procure, upon such terms and in such manner as it deems appropriate, stores similar to those undelivered, and the supplier shall be liable for all available actions against it in terms of the contract.

(iii) however, the supplier shall continue to perform the contract to the extent not terminated.

Termination of Contract for insolvency

10.37 If the supplier becomes bankrupt or otherwise insolvent, the purchaser may, at any time, terminate the contract, by giving written notice to the supplier, without compensation to the supplier provided that such termination will not prejudice or affect any right of action or remedy which has accrued or will accrue thereafter to the purchaser.

Termination of Contract for Convenience

10.38 After placement of contract, there may be some unforeseen situation compelling the purchaser to cancel the contract. In such a case, the purchaser is to send a suitable notice to the supplier for cancellation of the contract, in whole or in part, for its (purchaser's) convenience, *inter alia*, indicating the date with effect from which the

normal Liquidated Damages may be imposed by the Competent Authority. Stipulations to this effect, prescribing the kind of deficiencies and scale of Token Liquidated Damages chargeable should be clearly brought out in the tender documents. This provision should be consistent with the provisions of Performance Security (para 8.17 to 8.30 of this Manual).

Performance Notice

10.33 A situation may arise where the supply/services has not been completed within the stipulated period due to negligence/fault of the supplier; however the supplier has not made any request for extension of delivery period but the contracted Stores/services are still required by the purchaser and the purchaser does not want to cancel the contract at that stage. In such a case, a Performance Notice (also known as Notice-cum-Extension Letter) may be issued to the supplier by suitably extending the delivery date and by imposing liquidated damages with denial clauses, etc., on identical lines as in para 10.30 above. Supplier's acceptance, etc. of the performance notice and further action thereof should also be processed in the same manner as mentioned above. The text of the Performance Notice will be on similar lines to the model extension letters available at Annexures 26 & 27 with suitable modifications as required. First two paragraphs of a model Performance Notice is given at Annexure 28**.**

Correspondence with the Supplier after Breach of Contract

10.34 The purchaser or its authorized representative is not to enter into correspondence after expiry of the delivery date stipulated in the contract because such a correspondence will make the contract alive. This situation will not allow the purchaser to cancel the contract straight away without first serving a performance notice to the supplier. However, even after expiry of the delivery period of the contract, the purchaser may obtain information regarding past supplies, etc., from the supplier, simultaneously making it clear to the supplier that calling of such information is not intended to keep the contract alive and it does not amount to waiving the breach and that it is without prejudice to the rights and remedies available to the purchaser under the terms of the contract. A model communication

Liquidated Damages

10.30 There should be a suitable provision in the terms & conditions of the contract for claiming liquidated damages of appropriate amount from the supplier to take care of delays in supplies and performance, for which the supplier is responsible. Such recovery through liquidated damages should be without prejudice to the other remedies available to the purchaser under the terms of the contract. Depending on the nature and value of the Stores to be ordered and the urgency of the requirement, a specific percentage of the delivered price of the delayed Stores (or delayed services) for each week or part thereof delay, is to be incorporated in the contract terms. Generally, the percentage is 0.5% per week or part thereof. There should also be an appropriate maximum limit of such deduction, to be shown as a specific percentage of the contract value of delayed supplies/services and incorporated in the contract terms. This percentage is generally 10%. Any lower ceiling should be clearly justified while formulating the contract.

10.31 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, and do not intimate the purchase officer satisfactory reasons for the same or apply for extension of delivery period, 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% to 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.

Token Liquidated Damages

10.32 There may be situations when charging full Liquidated Damages may not be justified as the reasons for delay in delivery by the supplier may be largely due to circumstances well beyond under his control but nevertheless these may not considered adequate to waive off liquidated damages altogether or there may be such deficiencies in service for which quantification may not be feasible and no other remedy may be available. In such cases, Token Liquidated Damages upto 10% of the

Force Majeure

10.27 Force Majeure means an event beyond the control of the supplier and not involving the supplier's fault or negligence and which is not foreseeable. Such events may include, but are not restricted to, acts of the purchaser either in its sovereign or contractual capacity, wars or revolutions, hostility, acts of public enemy, civil commotion, sabotage, earthquake, fires, floods, explosions, epidemics, quarantine restrictions, strikes, lockouts, and freight embargoes. If there is delay in performance or other failures by the supplier to perform its obligation under its contract due to event of a Force Majeure, the supplier shall not be held responsible for such delays/failures.

10.28 If a Force Majeure situation arises, the supplier shall promptly notify the purchaser in writing of such conditions and the cause thereof within twenty one days of occurrence of such event. Unless otherwise directed by the purchaser in writing, the supplier shall continue to perform its obligations under the contract as far as reasonably practical, and shall seek all reasonable alternative means for performance not prevented by the Force Majeure event. If the performance in whole or in part or any obligation under this contract is prevented or delayed by any reason of Force Majeure for a period exceeding sixty days, either party may at its option terminate the contract without any financial repercussion on either side. There may be a Force Majeure situation affecting the purchase department only. In such a situation the purchase department is to take up with the supplier on similar lines as above for further necessary action.

Remedies to Purchaser for delay in Supply/Non-Supply for which Supplier is responsible

10.29 The purchaser has the following options depending upon the circumstances of the case:

(i) Extend the delivery with imposing of liquidated damages and other denial clauses

(ii) Forfeit the performance security

(iii) Cancel the contract

(iv) Impose other available sanctions/penalties

(i) Supplier's Invoice giving full details of the Stores including quantity, value, etc.;
(ii) Packing list;
(iii) Certificate of country of origin;
(iv) Manufacturer's guarantee and Inspection certificate;
(v) Inspection certificate issued by the Purchaser's Inspector;
(vi) Insurance Certificate;
(vii) Name of the Vessel/Carrier;
(viii) Bill of Lading/Airway Bill;
(ix) Port of Loading;
(x) Date of Shipment;
(xi) Port of Discharge & expected date of arrival of Stores and
(xii) Any other document(s) as and if required in terms of the contract.

Installment Delivery

10.26 The Stores ordered in a contract to be delivered by installments may be an "entire" contract or a "severable" contract as per illustrations given below:

(i) Entire Contract: Total number of units of the required Stores is 100.

Delivery Schedule: Delivery to commence after 30 days of placement of contract and to be completed within 4 months @ 25 units per month i.e., completion by 30.06.2006 or earlier.

(ii) Severable Contract: Total number of units of the required Stores is 100.

Delivery Schedule: 25 units by 31.03.2006; 25 units by 30.04.2006; 25 units by 31.05.2006; 25 units by 30.06.2006. In the case of a severable contract, each instalment constitutes a separate contract and extension in delivery period, if needed is to be done for each installment separately. If Stores are accepted after expiry of the delivery date of a particular installment without extension in delivery period being given with reservation of right to liquidated damages etc., the purchaser will not be legally entitled to claim the liquidated damages etc. Therefore, in case of severable contract, the purchaser should watch delivery position of each installment as per the specified date for that installment, and, whenever necessary, extend the corresponding date for the installment in question or cancel that installment, in which there is delay in supply.

Insurance on Railways or Lorry Transport or Inland Water Transport

10.22 When the terms of delivery accepted by the purchasing officer are ex-factory or ex-godown or free on rail/free on board place of dispatch, the charges for onward transmission including freight and insurance have to be borne by Government. Insurance of articles supplied from sources in India is optional, but in all cases in which damage is likely, insurance is advisable.

Distribution of Despatch Documents for Clearance/Receipt of Stores

10.23 The supplier shall send all the relevant despatch documents well in time to the purchaser to enable the purchaser clear or receive (as the case may be) the Stores in terms of the contract. Necessary instructions for this purpose are to be incorporated in the contract. The usual documents involved and the drill to be followed in general for this purpose are as follows:

For Domestic Stores

10.24 Within 24 hours of despatch, the supplier shall notify the purchaser, consignee and others concerned, the complete details of despatch and also supply following documents by registered post/speed post (or as instructed in the contract):

(i) Supplier's Invoice indicating, *inter alia* description and specification of the Stores, quantity, unit price, total value;
(ii) Packing list;
(iii) Certificate of country of origin;
(iv) Insurance certificate;
(v) Railway receipt/Consignment note;
(vi) Manufacturer's guarantee certificate and in-house inspection certificate;
(vii) Inspection certificate issued by purchaser's inspector and
(viii) Any other document(s) as and if required in terms of the contract.

For Imported Stores

10.25 Within 24 hours of despatch, the supplier shall notify the purchaser, consignee and others concerned, the complete details of despatch and also supply following documents by air mail/courier (or as instructed in the contract):

global standard for such interpretation. The purchasing Departments, while ordering Stores for importation from foreign countries, are to take note of the same.

Air Consignment

10.18 As per the extant directive of the Government, airlifting of the imported goods from abroad will be done only through the National Carrier i.e. Air India wherever applicable. However, before processing any contract involving import of goods through air, contemporary instructions in this regard should be followed.

Insurance

10.19 Wherever necessary, the Stores supplied under the contract, shall be fully insured in a freely convertible currency against loss or damage incidental to manufacture or acquisition, transportation, storage and delivery in the manner specified in the contract. If considered necessary, the insurance may be done for coverage on "all risks" basis including war risks and strike clauses. The amount to be covered under insurance should be sufficient to take care of the overall expenditure to be incurred by the purchaser for receiving the Stores at the destination.

Insurance of Imported Stores

10.20 In the case of goods imported from a broad, insurance charges are payable by Government, when the purchase price includes cost, insurance and freight of the goods as delivered at any port of entry in the State. In free on board or free alongside ship contracts insurance charges are payable by Government. In all cases of contracts where the supplying firm do not undertake insurance at their cost, the purchasing officer should arrange for insurance himself against risks in transit, such as loss, damage, etc.

10.21 Insurance is essential in the case of fragile goods, costly machinery, equipment, delicate machines and instruments and such articles which deteriorate or otherwise become useless in transit.

Where the supplier is required under the contract to deliver the Stores on FOB/FAS basis and to arrange on behalf and at the expense of the purchaser for ocean transportation on Indian flag vessels or vessels of conference lines in which India is a member country, the supplier may arrange for such transportation on alternate carriers if the specified Indian flag vessels or conference vessels are not available to transport the Stores within the time period(s) specified in the contract, with the prior written consent of the purchaser. Should the Stores or any part thereof be not delivered on the nominated vessel (except in case where prior written consent of the purchaser was obtained), the supplier will be liable for all payments and expenses that the purchaser may incur or be put to, by reason of such non-delivery including dead and extra freight, demurrage of vessels and any other charges, whatsoever incurred by the purchaser. The supplier shall not arrange part-shipments and/or transshipment without the express/prior written consent of the purchaser. Where the supplier is required under the contract to deliver the Stores under CIF/CIP terms, no further restriction shall be placed on the choice of the ocean carrier except that the shipment shall be made by Indian flag vessel or by vessels belonging to the conference lines in which India is a member country. The relevant rules etc. for shipping of imported Stores are contained in the notifications dated 27.02.1996 and 11.02.1998 issued by Ministry of Surface Transport (chartered wing). Copies of the same are provided at Annexures 24 & 25**.** Before processing any case for placement of contract on FAS/FOB/CIF/CIP basis for imported Stores, the purchase department should check the contemporary government instructions in this regard.

INCOTERMS

10.17 Unless otherwise specifically agreed to by the purchaser and the supplier and incorporated in the contract, the applicable rules & regulations for transportation of Stores from foreign countries will be as per the contemporary version of International Commercial Terms (INCOTERMS) evolved by International Chamber of Commerce, Paris. INCOTERMS are the official rules for worldwide interpretation about the duties, obligations, etc. of the buyer and the seller for transportation of the Stores from seller's country to buyer's country. INCOTERMS are recognised by the United Nations Commission on International Trade Law 57 (UNCITRAL) as the

(viii) FAS, port of shipment (FAS stands for Free Alongside Ship): The date on which the supplier deliver the Stores alongside the vessel at the specified port of shipment. This date is reflected in the Bill of Lading.

(ix) FOB, port of shipment (FOB stands for Free on Board): The date on which the supplier delivers the Stores on vessel's board at the specified port of shipment. This date is reflected in the Bill of Lading.

(x) CIF, port of destination (CIF stands for Cost, Insurance and Freight): The date on which the Stores arrived at the destination port.

NOTE: The FAS, FOB & CIF terms of delivery are applicable for Stores which are directly imported from foreign countries against the subject contract and not imported already by the supplier under its own arrangement. The CIP terms of delivery may be applied both for domestic as well as imported supplies.

Instructions for Transportation of Imported Stores

10.16 As per the general policy of Government of India, all import contracts are to be concluded on FOB/FAS basis. In case a Department desires any departure from the above policy including placement of contracts for import of foreign Stores on CIF Indian Port/CIP Destination Basis, prior permission is required to be obtained from Ministry of Surface Transport. In case of FOB/FAS contracts, shipping arrangements shall be made by the Shipping Co-ordination and Chartering Division/Shipping Co-ordination and Officer, Ministry of Surface Transport, New Delhi, India. Notice about the readiness of Cargo for shipment shall be given by the supplier from time to time at least 6 (six) weeks in advance for finalising the shipping arrangement, through Fax/Telex and courier, to the Chief Controller of Chartering, Shipping Co-ordination Officer, Ministry of Surface Transport, Government of India, New Delhi. Within 3 (three) weeks of receipt of the advance notice, as above, the said Chief Controller of Chartering, Shipping Coordination Officer will advise the supplier, through Fax/Telex and courier when and on board what vessels, these Stores or such part thereof are to be delivered. If the advice for shipping arrangement is not furnished to the supplier within 3 (three) weeks as aforesaid or if the vessel arranged is scheduled to arrive at the specified port of loading later than 15 (fifteen) days of the date of readiness of cargo, as aforesaid, the supplier may arrange for such transport on alternative carriers with the prior written consent of the purchaser.

(iii) Cases where the purchaser controls the entire production, the delivery cannot be re-fixed to make a contract a 'severable' contract without the specific agreement of the supplier, if the delivery originally stipulated in the contract was in the form of an 'entire' contract.

Despatch of Stores after expiry of Delivery Period

10.14 As per the contract terms, the supplier is not to supply the Stores when there is no valid delivery period. In case the supplier makes any supply after expiry of delivery period, the purchaser/consignee can reject the supplies and inform the supplier accordingly; the purchaser shall also have the right to cancel the contract (w.r.t. unsupplied Stores) in terms of the contract. If, however, the purchaser/consignee requires the Stores (which has been supplied after expiry of the delivery period), the purchaser may accept the Stores and issue a delivery extension letter with usual Late Delivery clause and denial clauses, as mentioned earlier, to regularize the transaction.1

Linkage between Terms of Delivery & Date of Delivery

10.15 Delivery dates in respect of contracts incorporating standard and commonly used terms of delivery shall be deemed to be as follows:

(i) Terms of Delivery

(ii) Date of Delivery

(iii) Ex-Works: The date the supplier delivers the Stores to the purchaser at its (supplier's) factory/premises.

(iv) FOR, Station of Despatch (FOR stands for Free on Rail): The date on which the Stores are placed by the supplier on rail with clear RR (Rail Receipt).

(v) FOR, Destination: The date on which the ordered Stores reach the destination railway station specified in the contract.

(vi) CIP, Destination (CIP stands for Carriage and Insurance Paid): The date on which the delivery is effected at the destination mentioned in the contract.

(vii) Local Delivery at Site: The date on which the delivery is made at the consignee's site mentioned in the contract.

10.11 If the purchase department agrees to extend the contractual delivery schedule, the same may be done by issue of an amendment to the contract with suitable denial clauses and with imposition of liquidated damages for delay. The amendment letter is to mention, *inter alia* that, in addition to imposition of liquidated damages, no extra price or additional cost for any reason whatsoever beyond the contractual cost will be paid to the supplier for the delayed supply; at the same time, if for any reason, whatsoever the cost of the Stores to be supplied/services to be performed by the supplier decreases that benefit will be passed on to the purchaser. Supplier's unconditional acceptance of the amendment by a specified date is to be watched and if the supplier does not agree to accept the amendment letter, further action is to be taken against the supplier in terms of the contract. Two model amendment letters for extension of contract delivery period on above lines for Free on Board (FOB)/FAS (Free Alongside Ship)/CIF (Cost, Insurance and Freight) contract and other forms of contract are given at Annexures 26& 27**.**

10.12 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.

Delay in Supplies for which Supplier is not responsible

10.13 Normally, in the following circumstances, the contractual delivery period needs to be re-fixed to take care of the lost period, without imposing any penalty to the supplier.

(i) Cases where the manufacture of stores is dependent on the approval of the advance sample and delay occurs in approving the sample though submitted by the supplier in time.

(ii) Where extension in delivery period is granted on account of some omission on the part of the purchaser which affects the due performance of the contract by the supplier.

10.7 All samples required for test shall be supplied by the contractor free of cost unless the contract provides otherwise. Where the sample which is supplied free is rejected after examination and test, the same or whatever remains of the sample after examination and test will be returned to the contractor at his cost on request made within a reasonable time of the date of rejection.

10.8 **Packing:** The contractor will be held responsible for the stores being sufficiently and properly packed for transport by rail, road and sea so as to ensure their being free from loss or injury on arrival at their destination. The packing of the stores shall be done by and at the expense of the contractor unless otherwise stated in the acceptance of tender. All packing cases, containers, packing and other similar materials shall be supplied free by the contractor and the same will not be returned unless otherwise stated in the acceptance of tender.

Delivery

10.9 The term "delivery" shall mean delivery by the dates specified in the acceptance of tender of stores which are found acceptable by the purchaser, and not the submission of stores which are not of the required standard or which are not delivered by due dates.

Extension of Delivery Period

10.10 The time and the date for delivery of the stores stipulated in the acceptance of tender shall be deemed to be of the essence of the contract, and delivery must be completed not later than the dates specified. If the supplier is unable to complete the supply within the stipulated delivery period for which the supplier is responsible, the supplier is required to request for extension of delivery period. If the officer is satisfied that a reasonable ground for an extension of time exists, and if such an extension is in the interests of Government, he may allow such extension, provided he is competent to do so. In case the reasons stated by the firm are not acceptable in public interest, appropriate penalty as the Purchasing Officer deems fit can be imposed on the firm, for the belated supply. If not, the sanction of the competent authority should be taken.

10.4 In particular and without prejudice to the foregoing condition and in addition thereto, when tenders are called for in accordance with particulars like specification, drawing pattern, proprietary make denoting product of an individual firm, etc., the contractor's tender to supply in accordance with such particulars shall be deemed to be an admission on his part that he has fully acquainted himself with the details thereof and no claim on his part which may arise on account of non-examination or insufficient examination of the "particulars" should in any circumstances be considered. The Contractor shall supply the stores in accordance with the particulars, unless any deviation is authorized as an exceptional case and expressly specified in the acceptance of tender.

10.5 If a specification and/or drawing exists, then the sealed pattern or certified sample thereof will govern supply only to the extent of workmanship and finish. If neither a specification nor a drawing exists, then the sealed pattern or certified sample thereof will govern supply in all respects. When specification, drawing nor pattern is available to govern supply, the supply must be quality material, pattern and workmanship which the purchaser has agreed to and the contractor has undertaken to supply. And when under these circumstances a contractor's sample has been approved the stores supplied must be equal in all respect to such sample.

Sample

10.6 Where an advance sample is required to be approved under the terms of the contract, the contractor shall submit the sample to the purchaser within the time specified in the acceptance of Tender. If the contractor is unable to do so, he must apply immediately to the Officer issuing the acceptance of tender for extension of time, stating the reasons for the delay. If the Officer is satisfied that a reasonable ground for an extension of time exists, he may allow such additional time as he considers to be justified without altering the delivery period stipulated in the acceptance of tender. In the event of the failure of the contractor to deliver the advance sample by the date specified in the acceptance of tender or any other date to which the time may be extended as aforesaid, the Officer shall be entitled cancel the contract and if so desired purchase the stores at the risk and cost of the contractor.

CHAPTER 10

DELIVERY PERIOD, TERMS OF DELIVERY, TRANSPORTATION, TRANSIT INSURANCE, DELAY IN SUPPLY, CANCELLATION OF CONTRACT

Delivery Period

10.1 The period for delivery of the ordered Stores and completion of any allied service(s) thereof (like installation and commissioning of the equipment, operators' training, etc.) are to be properly specified in the contract with definite dates and the same shall be deemed to be the essence of the contract. Expressions such as 'immediate', 'ex-stock', "as early as possible', 'off the shelf', etc., shall not be used to indicate contractual delivery period. The Central Vigilance Commission has advised the departments/organizations concerned to fix a reasonable time for the bids to remain valid while issuing tender enquiries, keeping in view the complexity of the tender, time required for processing the tender and seeking the approval of the Competent Authority, etc., and to ensure the finalization of tender within the stipulated original validity. It has instructed that any delay, which is not due to unforeseen circumstances, should be viewed seriously and prompt action should be initiated against those found responsible for non-performance (refer Order No.008/VGL/083, (Circular No.31/11/08), dated 6th November 2008, in Appendix).

Terms of Delivery

10.2 The terms of delivery is decided depending on the nature of Stores to be purchased, transportation facility available, location of the user, location of the prospective suppliers etc. Terms of delivery *inter alia* determine the delivery point of the ordered Stores from where the purchaser is to receive/collect the Stores. Terms of delivery have direct bearing on the quoted prices.

Specification of Stores

10.3 Generally the stores shall be of the best quality and workmanship and comply with the contract and in all respects be to the satisfaction of the purchaser.

amount of performance security should be 2.5 % of the value of the equipment to be maintained.

9.69 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".

9.70 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.

9.71 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.

9.72 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.