

Government of Andhra Pradesh
ABSTRACT

Public Works _- Reforms in Public Works Departments – Revision and streamling of Tender Procedure – Orders – Issued.

IRRIGATION & COMMAND AREA DEVELOPMENT (PW:COD) DEPARTMENT

G.O. Ms. No. 23.

Dated. 5-3-1999.

- Ref:-
1. G.O. Ms. No. 177 TO 182, I&CAD (PW:COD)Department, dt. 27-9-97.
 2. G.O. Ms. No. 21 to 26 TR &B (B.III) Department, dt. 6-2-98.
 3. G.O. Ms. No. 99, TR &B (Roads) Department, dt. 9-6-98.
 4. G.O. Ms. No. 132, TR&B (Roads) Department, dt. 11-8-98.

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ORDER:-

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

2. Government issued orders in the GOs 1st and 2nd read above introducing comprehensive reforms streamlining and standardizing the procedures for calling tenders and award of contracts.

3. Government constituted Cabinet Sub-Committee in GO 3rd read above to review and suggest further reforms in tendering procedure and allied matters.

4. Accordingly the Cabinet Sub-Committee had gone into various aspects of the existing procedures of sanctioning estimates and tendering system and submitted a report to Government. Based on the recommendations of the Cabinet Sub-Committee, Government issued orders in the GO 4th read above, ordering further tender reforms with a view to curb collusion and unfair practices adopted by the Contractors in the tendering process.

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

6. Government after careful consideration of the recommendations of the cabinet sub-committee and in partial modification of the orders issued in GO. Ms. No. 132, TR&B Department, dt. 11-8-98, issue the following orders in respect of Tender procedures and other allied matters relating to all the Public works departments to ensure free and fair competition in award of Public works and to bring in greater transparency in tender procedure.

i. The maximum ceiling of excess tender percentage shall be 15% instead of 20%. The lower limit and the conditions therefore will be continued. No. negotiations will be conducted with the tenderers.

ii. In order to maintain anonymity tender schedules shall be supplied on payment of a cost to any contractor interested in tendering. The present practice of collecting EMD at the time of sale of Tender Schedules shall be dispensed with. Hereafter, the contractors shall pay the EMD at the time of filing their tender documents only. The EMD shall be at the rate of 1% of estimate contract value and it shall be paid in full, without concession, either in the shape of a Bank Demand Draft or unconditional Bank Guarantee.

iii. The contractors shall have the facility of obtaining mobilization advance upto 10% of contract value on works costing more than Rs.1 crore against bank guarantee which will attract

suitable rate of interest. The advance and interest shall be recovered from the contractor's bills in appropriate installments.

iv. For the works costing upto Rs. 10.00 lakhs the existing procedure of collecting EMD in the form of crossed Demand Draft at the time of filing tender schedules shall be allowed. The eligibility criteria shall not be made applicable for these works.

v. The contractors will no longer be required from now onwards to produce clearance certificate from the Mines Department and Seigniorage charges will be deducted by the concerned works department from the bills of the contractors for the materials used on the work only.

vi. The contractors will be allowed the facility of deduction of sales tax at the rate of 2% at source and be exempted from producing the clearance certificate from commercial tax department.

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

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

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

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

xi. In order to prevent collusion amongst the tenderers, for the first two tender calls if the premium quoted are found to be high/abnormal, the works shall be entrusted to the reputed contractors on selection basis by the competent committees at the district level up to Rs. 1 Crore and at State level above Rs. 1 Crore as per G.O. 4th read above. The Contractors in five members each time from out of the published lists of the Contractors with proven track record shall be called upon to quote their prices and the lowest among them shall be awarded the work within the maximum ceiling limit prescribed.

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

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

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

9. The Engineer-in-Chief, I&CAD Department and Chairman, Board of Chief Engineer (BOCEs) shall furnish necessary proposals for making suitable amendments to the existing codal/APSS provisions.

10. This order issues with the concurrence of Finance and Planning (PW) Department vide their U.O. No. SP/335/F8(2)/99-1, dt. 3-3-99.

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

P.K. AGARWAL,
SECRETARY TO GOVERNMENT (Projects)

To

The Engineer-in-Chief, Irrigation Wing, Hyderabad.
The Engineer-in-Chief, Administration Wing, Hyderabad.
The Engineer-in-Chief, (R&B), Hyderabad.
The Engineer-in-Chief, (Administration (R&B), Hyderabad.
The Engineer-in-Chief, (Public Health) MA & UD, Hyderabad.
The Engineer-in-Chief, (PR&RD), Hyderabad.
The Engineer-in-Chief, CADA, Hyderabad.
The Commissioner, Commissionerate of Tenders, Hyderabad.
The Chief Engineer, Major Irrigation, Hyderabad.
The Chief Engineer, Medium Irrigation, Hyderabad.
The Chief Engineer, Minor Irrigation, Hyderabad.
The Chief Engineer, VYPP Unit, Dowlaiswaram, East Godavari District.
The Chief Engineer, Nagarjunasagar Project, Vijaypuri North, Nalgonda District.
The Administrator – cum- Chief Engineer, N.S. Right Canals, CADA, Guntur.
The Chief Engineer, Sriramasagar Project, Hyderabad.
The Chief Engineer, (P) Neelam Sanjivareddy Sagar Project, Hyderabad.
The Admn-cum-Chief Engineer, Sriramasagar Project, Jagtial.
The Chief Engineer, Telugu Ganga Project, Cuddapah.
The Chief Engineer, Telugu Ganga Project, Srikalahasthi.
The Chief Engineer, Central Designs Organisation, Hyderabad.
The Chief Engineer, Investigation, Hyderabad.
The Chief Engineer, Mechanical, Hyderabad.
The Principal Accountant General, Andhra Pradesh, Hyderabad.
The Dy. Accountant General (P) Hyderabad.
The Fin. Plg (Projects Wing) Department.
The Fin. Plg (Finance Wing) Department.
The Chief Technical Examiner, Irrigation & CAD (P.W) Dept. Hyderabad.
The Commissioner of Enquiries, A.P. Sect., Hyderabad.
The TR&R Dept./ Panchayati Raj & Rural Development/ M.A. & U.D. Dept./ Housing Dept./
Revenue Dept. with a request to issue suitable order for adoption of these order.
Copy to All Section Irrigation & CAD/U&CAD (PW) Department.
PS to Min. (Major & Medium Irrigation).
PS to Min. (Minor Irrigation).
PS to Min. (R&B).
PS to Min. (PR&RD).
PS to Min. (MA&UD).
PS to Min. (Home).
PS to Secy. To C.M.

//Forwarded by Order//

Sd/-

Section Officer.

ANNEXURE – I
(G.O.Ms. No. 2, I & CAD (PW COD) Department dt. 5-3-99)

1.0 Preparation of Realistic Estimates

1.01 Standard DATA

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

1.02 Finalisation of Standard Schedule of Rates (SSR)

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

1.03 Provisions to be made in Estimates

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

- a) Turnover tax at the rate of 1 percent for items relating to canal digging lining repairing road works etc., where the earth work excavation and embankment is involved and for works other than the above, turnover tax at 3 percent shall be added in the data.
- b) A lumpsum provision shall be made in the abstract estimate towards insurance considering the agreement period and defect liability period of two year for the original works and one year for maintenance works by obtaining details of insurance premium from insurance organization.
- c) A lumpsum provisions shall be made in abstract estimates to meet the expenditure to be incurred by the contractor on engaging Technical personnel based on number of persons indicated in the tender document and permissible wages as per SSRs.
- d) A lumpsum provisions shall be made in the abstract estimate towards Bankers, Charges for obtaining Bank guarantees for payment of E.M.D., performance security and release of retention amount as per prevailing procedure based on the period i.e. period of completion plus defect liability period. The Chief Engineer concerned shall assess duly obtaining the details thereof from the Scheduled Banks and suitable provision shall be made. Till than, no provision for this item need be provided.
- e) A provision at 1 percent of the cost of Cement towards construction of temporary store shed shall be added on the data of relevant items.

1.04 At the time of preparation of estimates, proper case should be taken to provided the lumpsum provisions for the @ conditions also should be incorporated in the tender document for suitable reimbursement to the contractors from out of the above provisions, however not exceeding the amounts indicated against each, on production of the insurance policies, copies of appointment orders with payments vouchers, bank guarantee etc., Failing to comply with the above, reimbursement shall not be allowed but suitable penalty shall be imposed for not engaging technical personnel and the Engineer-in-Charge shall taken insurance policy at the cost of contractor duly deducting the premium from the contractors bills . Contractor has to take policy in favour of the employer i.e. department.

1.05 As per orders issued earlier in G.O. Ms. No. 53, dated. 17-4-1998 for earthwork excavation and embankment upto 10000 Cu. Mtrs., the manual rate shall be provided and if the quantity exceeds 10000 Cu.Mtrs., the machinery rates shall be adopted. However, the contractor will be given an option either for manual or machine operations, irrespective of the quantities, following items of works shall be taken up manually.

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

2.00 Sanction of Estimation

Administrative approvals to the estimates for major and medium irrigation schemes as well as schemes relating to R&B Department will be accorded in two stages.

a) in stage –I, the administrative approval will be accorded for the following items which will help in preparation of detailed project reports.

- i) Detailed investigation
- ii) Preparation of EIA and EMP reports, R&R plan, forest clearance etc.
- iii) Preparation of detailed designs/drawings.
- iv) Obtaining of necessary clearances
- v) Acquisition of minimum lands required
- vi) Completion of R&B, EMP etc.
- vii) Shifting of utilities for R&B works

b) In stage –II projects will be prioritized and adequate funds be provided to complete them in realistic time frame. The second stage administrative approval will be issued only after designs are finalized, detailed investigations completed and lands are acquired for taking up works without interruption for the first two years. However, in respect of certain works such two approvals will be given straightway on certification by the Engineer-in-Chief/Chief Engineer concerned that the stage – I approval is not needed and that the designs are finalized, detailed investigations completed, lands are acquired and designs are finalized, detailed investigations completed, lands are acquired and utilities are shifted for taking up the work without interruption in the first two years.

2.02 Technical Sanction:

a) Now with standing anything contained in the relevant codal provisions, APSS and Government order with regard to the procedure of according the technical sanction, enhanced powers are delegated to the field officers as follows.

E.Es upto :Rs. 10 lakhs
S.Es upto :Rs. 50 lakhs
C.Es upto :Value of the administrative approval

3.00 Preparation of Tender Documents and Finalisation of Tenders

3.01 Tender Documents

3.01.1 Tender Notice

The tender notice or notice inviting tenders (NIT) will be approved by the engineers for the works for which they are competent to accord technical sanction. The tender documents will be prepared by the concerned Engineers, bringing greater transparency. The provisions made in the estimate for items which are reimbursable to the Contractors with conditions therefore and other relevant conditions relating to the implementation of contract and other eligibility criterion both physical and financial requirements in addition to the conditions not with standing any thing

contained in the APSS, APWD code and, government order the following will be incorporated wherever necessary.

3.01.2 Defect Liability Period.

In partial modification of G.O. Ms. No. 132 dated. 11-8-1998, the defect liability period is increased to two years for the original works and one year for maintenance works, duly taking in to account normal wear and tear.

3.01.3 Liquidated Damages

The liquidated damages are imposed on the contractors as per the present practice basing on the milestones.

3.01.4 Seigniorage Charges & Sales Tax.

The Seigniorage charges will be recovered from contractor's bills as per the rates prescribed in the contract documents for the materials used on the work only. The present practice of insisting for production of documentary evidence for having paid the seigniorage charges in items of G.O. Ms. No. 243, dated. 8-5-1986 and in the absence of such production of the evidence, the imposition of five times penalty is dispensed with.

For sale tax/ tax on works contract, contractors are given an option to opt for the composing schemes under section 5 (g) of the APGST Act and those opting for it are subject to a tax deduction of 2% at source on the total value of the contract. In such case, the departments will not insist on production of clearance and no assessment of tax will be needed.

3.01.4 Mobilisation Advance

The contractors for works exceeding more than Rs. 1 crore of estimated cost value are permitted to avail the facility of mobilisation advance upto 10% of the value of the contract against an unconditional and irrevocable bank guarantee. the advance will attract a suitable rate of interest (as per Government borrowing rate) and be deducted in suitable installments from the bills of the contractors.

3.01.6 Payment of Bills

The Contractors will be permitted to submit their work bills once in a month and payment will be made after proper check of quantity and quality with in a reasonable time limit. The final payment of the contractor should not be delayed for want of certificate from the quality control staff.

3.01.7 Quality Control Measures

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

3.01.8 Construction Materials

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

3.01.9 Price Escalation

The price escalation is permitted in contracts for works costing over Rs. 200 lakhs with a period of completion exceeding 18 months and the formula evolved by Board of Chief Engineers shall be made applicable.

3.01.10 Earnest Money Deposit

In order to maintain the anonymity, tender schedules will be supplied on payment of a cost to any contractor of eligible class interested in bidding, without insisting for EMD. This is introduced to enable prevention/reduction of extraneous forces interfering or pressurizing the contractors to quote at all in the tenders. Hence the practice of collecting EMD in the shape of demand draft at the rate of 1 ½ percent subject to a maximum of Rs. 1.00 lakhs or Rs. 75,000/- from the contractors who have lump sum deposit with the concerned Chief Engineers will be dispensed with and in lieu thereof, Bank Guarantee or DD obtained in favour of the officer as specified in the tender, at the rate of 1% of the Estimate contract value will be collected without any concession. The balance EMD will be collected at the present rates while concluding the agreement and the bank guarantee will be unconditional and irrevocable as per the standard format enclosed to the tender document. The Contractors who have L.S. Deposit with concerned Chief Engineer will be permitted to take back their deposits, subject to conditions that they are free from all liabilities.

3.01.11 Applicability of Qualification Criteria & EMD ETC.,

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

3.01.12 Subletting

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

3.01 Qualification Criteria

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

a). Satisfactorily completed (not less than 90 percent of Contract value) as a prime contractor, similar works of value not less than Rs. /-@ (usually not less than 50% of Estimated value of contract) in any one year.

b) Executed in any one year, the following minimum quantities of works.

- Cement concrete including RCC and PSC -Cu.M

- Earth work in both excavation and embankment -Cu.M

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- (Relevant principal items be indicated

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

B. Each bidder should further demonstrate

a) Availability (either owned or leased or to be procured against mobilization advances) of the following key and critical equipment for this work.

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

b) Availability of the Key personnel with adequate experience as required should be indicated based on the requirement for the work to be executed.

c) Liquid assets/credit facilities of not less than Rs. lakhs (credit lines/letter of credit/solvency certificate from banks etc., shall be equivalent of the estimates cash flow for three month in peak construction period).

d) EMD in the shape of Bank Guarantee in the standard format enclosed, for Rs.... (one percent of the estimated contract value) to be valid for the period as indicated at para 1.03 (d) i.e., period of completion plus defect liability period.

e) Experience relating to the works executed in State/Central government departments or State/Central government undertakings shall only be considered.

3.02.3 Bid Capacity

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

Assessed available bid capacity: $A \times N \times 2 - B$

- Where

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

N= Number of years prescribed for completion of the works for which tenders are invited.

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

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

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

. The Financial year in which bids are invited

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

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

4.0 Evaluation of Tenders

4.01 Receipt of Tenders:

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

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

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

4.01.3 First Cover (cover-A) with superscription as “TECHNICAL BID” which shall contain the qualification data as described at para 3.02 will be opened.

4.01.4 SECOND COVER (Cover-B) with the superscription of “PRICE BID” shall contain the Schedule – A i.e., the statement of description of work, quantity, estimate rate and amount. Price bid (Cover-B) of those tenderers who are determined as qualified as per eligibility criteria will be opened on the date specified in the tender notice and the Cover-B of un-qualified tenderers will not be opened and kept in the safe custody till the tenders are finalized and there after shall be returned to them along with EMD. the Schedule – A of price bid shall contain the working items indicated as part-I and LS provisions as Part-II. The premium or discount quoted by the Contractor shall be applicable only for Part-I. However, the provisions contained in the Part-II will be operable basing on the conditions provided in the tender schedules. The tenderers will have to state clearly their willingness to execute the work at the percentage excess or less or at par over the ECV indicated at Part-I at the space provided therein.

4.01.5 Before recommending/accepting the tender the tender accepting authority shall verify the correctness of certificates submitted to meet the eligibility criteria and specifically for experience the authenticated agreements of previous works executed by the lowest tenderer, shall be called for.

The EMD will be returned to the qualified but unsuccessful tenderer either after finalization of tenders or on expiry of validity of tenders which ever is earlier.

4.02 Finalisation Tenders

4.02.01 Tenders will be finalized by the EEs/SEs for the works costing upto their powers to accord technical sanctions.

4.02.2 The Chief Engineer shall finalise the tenders for the works costing upto Rs.1 crore. The tenders for the works costing more than Rs.1 Crore will be referred to COT along with Technical Bid evaluation and Price Bid evaluation for consideration. The COT shall scrutinize the tenders submitted by Engineer-in-Chief/Chief Engineers/Project Administrators in accordance with the conditions stipulated in the Tender document and in case of any discrepancy or non-adherence to the conditions, the same shall be communicated which will be binding both on the tender concluding authority and the contractor. In case of any ambiguity, the decision taken by the COT on tenders shall be final.

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

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

4.02.5 Tender Percentage

a) Maximum Ceiling

The maximum permissible tender excess is reduced from 20% to 15% over the estimated contract value in partial modification of G.O. Ms. No. 132 dt. 11-8-1998 and in case excess is more than 15% the tenders shall be summarily rejected. At the same time, the tenders received with the maximum permissible percentage excess are not necessarily to be accepted, they may be accepted basing on the trend of tenders accepted either in the project or in near vicinity for similar works. In case the trend of tender available relates to considerable time gap., the accepted premium of the tenders be updated with reference to the present price index and with justifiable reasons only the tenders shall be accepted.

b) Discount Tenders (Percentage less than Estimated Cost)

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

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

4.02.7 When such situation arises that even for second tender call, the reasonable percentage in fair and free environment is not received, the works will be entrusted on selection basis from out of the list of contractors who are possessing the eligibility criteria as specified in the tender document will proven track record prepared as per the procedure laid down in the Annexure-II will be selected in turns of 5 contractors at each time and will be asked to file their price bids at a specified place and time before the competent committees as stated at para 4.03 to entrust work. The committee assessing the reasonableness of excess percentage quoted will recommend to award the work to the lowest of all the contractors participated. The contractor to whom the work is entrusted on selection basis will be provided necessary security and protection if requested at his cost.

4.03 Committees to Entrust Works on Section Basis

For the purpose of above selection and entrustment of works to contractors the composition of the committees at District and State level and powers delegated to them are as under.

- a) For the works costing upto Rs. 1 crore, a committee consisting of the Collector of the District in which work is located, the SE concerned with the work and two SEs of two other works
- b) For the works costing above Rs. 1 crore, the committee consisting of the C.O.T., and the C.E., concerned and Engineer-in-Chief (Irrigation) will recommend and award the works on the selection basis.

5.0 Committees to Resolve Inter-Departmental Problems

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

ANNEXURE – II

Annexure to G.O. Ms. No. 23, Irr & CAD (PW: COD) Department dated. 5th March, 1999

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

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

3. Basis for Evaluation Criteria

- i. Technical Qualification: Role of technical agents in execution of civil Engineering works is of quite significance more particularly in L.S. contracts. Keeping this in view this criterion is introduced and the credits are indicated for self-qualification of the contractor and qualification and experience of the employed Engineers by the contractors. In addition suitable credits are also assigned for the man power possessed by the contractor who are trained in N.A.C.
- ii. Standing in Civil Contract Field: The experience of the contractor in the civil contract field is considered as one of the important criterion in as much as the experienced contractor will have greater exposure to the working environment, procedure of execution of public works and also have quality consciousness. Considering the above aspects the total length of experience as well as the experience in the present class of contract are assigned with suitable credits.

iii. Record of Execution of Works: in addition to the experience in execution of Civil Engineering works a contractor may possess experience in certain specialized fields such as irrigation works, R&B works, water supply and sanitary works etc. In case a contractor files an application for either registration or renewal or upgradation in a particular field of specialization, his record of execution of works should be assessed. Therefore in this criterion, credits have been assigned for executing similar nature of works during the last 5 years from the year in which he files application so as to evaluate his upto date knowledge of the work culture since the last five years. Similarly credits are also assigned for having completed the similar nature of works within the agreement period unless and other wise it is extended for the reasons beyond the control of the contractor. However if a contractor completes the works ahead of the agreement period additional weightage will be given by the suitable methodology indicated therein.

iv. Plant and Machinery: It is expedient that a contractor should possess necessary plant and machinery of his own that are required to execute the nature of work for which his performance is evaluated, in order to assess his capability of executing the works within the stipulated period. Hence suitable credits have been assigned to this criterion, however the required plant and machinery will be indicated for the different works by the concerned engineers who evaluate the performance.

v. Financial Status: Since the Government have been implementing the works in various public works departments with huge outlays, it is necessary to assess the financial capability of a contractor to commence the work and continue the work at least for a minimum period of 3 months without waiting for the bills to be paid by the concerned authorities. The criterion has therefore been given importance and suitable credits are assigned for different components viz., annual average turnover availability of liquidated assets such as solvency/over draft facility and other credit lines etc.

vi. Contractors Trained in NAC: In case the contractor himself is trained in the National Academy of Construction it is expected that he will be able to possess better skills in execution of works as well as contract management, hence suitable credits are assigned to this criterion.

vii. Membership in BAL and other professional Bodies: This criterion would reveal that the contractors access to interact or to have interface with different professional experts for updating his technical skills. Keeping this in view suitable credits are assigned.

viii. History of Litigation: This criterion is introduced to assess character and professional ethics of a contractor. Various items have been identified under this criterion which are assigned suitable credits for each of them. The sum total of credits under this criterion will be subtracted from the total credits achieved by a contractor for all the above seven criteria. It is imperative to mention that in case the concealment of misleading/false information is furnished, the contractor shall face very severe action such as blacklisting or debaring from the contracting field.

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

4. Procedure to Furnish the Particulars for each of the above Evaluation Criteria:

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

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

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