

Prasar Bharati
(India's Public Service Broadcaster)
Prasar Bharati Secretariat
Prasar Bharati House, Copernicus Marg
New Delhi-110001.


F. No. T-1/101/2018 IT & PP

Date: 20 th August, 2018

Sub: Standard Operating Protocol (SOP) for tenders for procurement of goods/services in Prasar Bharati.

Enclosed please find herewith a copy of Standard Operating Protocol (SOP) to be adopted for tendering for procurement of goods and services in all the offices of Prasar Bharti network. The SOP has been approved by the Management Committee in its 37th Meeting held on 19th July, 2018.

Encl: Four pages of (SOP)


(R.P. Joshi)
DDG (IT)

To :-

DG:AIR/DG:DD/E-in-Cs/All ADGs:PB/All ADGs: AIR/All ADGs:DD

Copy for kind information to

CEO, Prasar Bharati

M(F), Prasar Bharti

DDG (Tech & IR) for uploading on Prasar Bharati Website.

Standard Operating Protocol (SOP)
(For Tenders for Procurement of Goods/ Services in Prasar Bharati)

1. Specification and Cost estimation^s for the procurement should be as per guidelines prescribed in GFR 2017 and Manual for Procurement of Goods 2017 issued by Ministry of Finance, copy placed at **Annexure-1**.
2. Specification, eligibility conditions and scope of work/ special conditions of the contract should be framed to meet the broader base of supply by enhancing better participation, to get competitive prices, by taking feedback from OEMs of product.
3. Draft Specification (New) and scope of work/ special conditions of the contract may be circulated on web portal of PB/ DD/ AIR for 2 weeks before inviting NIT to get industry feedback within stipulated time for more clarity & transparency.
4. Clarifications raised by the prospective bidders, if any, in pre-bid meeting may be issued timely. After pre-bid, no further queries from bidders would be allowed except queries related to clarifications issued.
5. Tender must be opened on its due date of opening and maximum three extensions may be permissible in view of healthy competition.
6. If date of tender opening is to be extended in view of healthy competition, the following are to be followed in case of Global Tenders:
 - a. Tender Opening date should be extended by minimum three weeks, if clarification and/ or amendment issued.
 - b. Tender Opening date should be extended by minimum two weeks, if there is no clarification and/ or amendment issued.
 - c. No request of bidder/s for extension of opening date may be considered except if it is found to be reasonable and genuine by the competent authority.
7. If there is only one bid received after extending technical bid opening date 3rd time, the bid shall be opened. The same may be processed if satisfying rule 173 (xx) of GFR 2017.
8. If there is no bid received after extending technical bid opening date 3rd time, tender may be treated as unresponsive and may be cancelled.
9. If tender is cancelled, indenting wing may review the specification & estimated cost of indent before retendering the same, if required.
10. Generally changes/ deviations in any tender condition (especially eligibility, specifications and special conditions of the contract), changing make-model of the equipment quoted by the bidder, waiver of penalties/ Liquidated Damages, etc. should not be allowed after opening of bids/ award of contract.
11. The power to allow any change or deviation should be vested at a higher level, i.e. with the DGs and Management Committee of Prasar Bharati only. If under some exceptional circumstance, it is felt necessary to allow changes/ deviations in the tender conditions, then reasons should be recorded and

specific prior approval must be obtained from the concerned DGs with Finance concurrence in cases where the tender approving authority is subordinate to the DGs, and CEO/ Management Committee of PB in cases where tender approving authority is either DG, CEO or the Management Committee.

12. Procurement Manual issued by Ministry of Finance mentions that Procuring Entity is entitled to consider and allow minor deviations, which do not amount to material deviations. A material deviation, reservation, or omission which should not be waived are those that:
 - a. Affects, in any substantial way, the scope, quality or performance of the goods and related services specified in the contract;
 - b. Limits, in any substantial way, inconsistent with the tendering documents, the Procuring Entity's rights or the tenderer's obligations under the contract; or
 - c. If rectified, would unfairly affect the competitive position of other tenderers quoting substantially responsive tenders.
13. General Commercial Conditions (GCC) of the contract should not vary from tender to tender. If in any tender, any deviations from the standardised GCC are required, then reasons for such changes should be recorded and specific approval of the tender approving authority should be obtained at the time of approval of tender document.
14. In cases of procurement of goods/ services, which are recurring in nature, the tender conditions should generally be kept same as that for the previous procurement. In case of any changes, reasons for such changes should be recorded and specific approval of the tender approving authority should be obtained at the time of approval of tender document.
15. After opening of bids, the Bid Opening officer should immediately make over the complete set of the bids along with the minutes of the bid opening and other documents after the opening of the bids to all the members of the Tender Evaluation Committee (TEC).
16. The TEC should formal recommendations for the award of the contract to the bidder whose bid has been determined to be substantially responsive and the lowest evaluated bid,
17. The recommendations of TEC should be explicitly approved by the competent authority before any award of work.
18. Any deviation from this SOP would require the approval of DG:DD/ DD:AIR/ CEO, as the case may be, and may be considered on a case-to-case basis subject to adequate justification.

§Estimation of Cost defined under para 2.1(e) in the Manual for Procurement of Goods 2017 (Min. of Finance) may be followed (extracts placed at Annexure-I).

Estimation of Cost

1. The estimated cost in the indent is a vital element in various procurement processes, approvals and establishing reasonableness of prices at the time of evaluation of the bids. Therefore, it should be worked out in a realistic and objective manner. The prevailing market price ascertained through a market survey or budgetary quotations from one or more prospective suppliers or published catalogues/ list price of OEM/ Maximum Retail Price (MRP) printed on the item is the main source for establishing the estimated cost of items for which there no historic data available. It may be noted that MRPs usually include significant margins for distributors, wholesalers and retailers.
2. For equipment/ craft which are uniquely custom-built to buyer's specifications, the best way to get a fair assessment of costs is by obtaining budgetary quotes from potential parties. Ideally, there should be three quotes. However, there is need to have a time schedule for receipt of quotes to ensure some timeframe for this activity. Thus:
 - a) An attempt should be made to obtain as many budgetary quotes as possible from reputed/ potential firms and a time of 21 (twenty-one) days be indicated therefore. In the event of receipt of less than three budgetary quotes, two extensions of up to 10 (ten) days each may be considered; and
 - b) In the event of non-availability of three quotes within the above extended period, the estimates should be prepared on the basis of the number of budgetary quote(s) received, which may even be one; and where more than one budgetary quote is received, the estimate should be framed on an average of the quotes which will reduce variations and fluctuations.
3. In addition, wherever they are available Directorate General of Supplies and Disposals (DGS&D) rates should be considered. Likewise rated should be compared with recent orders/ purchases of similar equipment by other states/ Departments. Other methods for establishing the estimated cost in the indent and tender evaluation are:
 - a) Estimated rate in past indents of the same goods;
 - b) Last purchase price of this or similar or nearly equivalent requirements;
 - c) Costing analysis based on costs of various components/ raw materials of the item;
 - d) Rough assessment from the price of the assembly/ machine of which the item is a part of vice versa;
 - e) Through the internal or external expert costing agencies; and
 - f) As a last resort, rough assessment from the opportunity cost of not using this item at all.
4. These methods are not mutually exclusive and can be supplemented with escalations to cater for inflation, price increases of raw materials, labour, energy, statutory changes, price indices, and so on, to make them usable in conditions prevailing currently. In case of foreign currencies, the rate should be reduced to a common denomination of Indian Rupees. Price indices can be obtained from the

following websites. Some may require prior free registration and some paid subscription:

- a) For price indices of indigenous items:
<http://www.eaindustry.nic.in/home.asp.in> (Ministry of Industry);
 - b) For metals and other minerals: <http://www.mmronline.com/or>
<http://www.metalprices.com/index.asp> or <http://www.asianmetal.com/>;
 - c) For price trends of nonferrous details; London Metal Exchange -
<https://www.lme.com/gives> price trends of nonferrous details, which often show volatile trends;
 - d) Other useful sites: <http://www.tradeintelligence.com/> and
<http://www.cmie.com/> . (Centre for Monitoring Indian Economy);
 - e) For price trends of different countries: <http://www.imf.org/external/pubs/ft/weo/2015/01/> (International Monetary Fund); and
 - f) For organization /chambers of commerce such as the (Indian Electrical and Electronics Manufacturer's Association): www.ieema.org;
5. The inadequate cost estimate may lead to inadequate response from the bidders and may delay finalization of procurement. It may also adversely affect the quality of supplies. Estimated of procurement should be prepared with due diligence, keeping in view inflation, technology changes, FE Variation, profit margins etc.

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