

PrasarBharati
(India's Public Service Broadcaster)
PrasarBharati Secretariat
PrasarBharati House,
Copernicus Marg New Delhi

F. No. T-2/520(1)/2019-Tech

Dated: 10.04.2019

Sub: Policy Guidelines for Procurement on Single Tender Enquiry (STE) and Proprietary Article Certificate (PAC) basis in PrasarBharati.

1. PrasarBharati has framed Policy Guidelines for Nomination based mode of Procurements i.e. 'Single Tender Enquiry (STE) and Proprietary Article Certificate (PAC) basis' by compiling the relevant clauses from GFR 2017 and MoF's Manual for procurement policy 2017.
2. The level of officers in the PAC & RRC committees and their delegation of financial power are mentioned in the Policy.
3. Standard Operating Protocol (SOP) for Tenders for Procurement of Goods & Services in PrasarBharati, issued vide no. F. No. T-1/101/2018 IT & PP, dated on 20th August 2018 may also be referred for further guidelines of Procurement Policy.
4. It is important to ensure the adherence to the policy guidelines for all the above mentioned based mode of Procurement.

The Policy has been approved by CEO PrasarBharati with finance concurrence and is enclosed herewith for further necessary action please.

msh T.P. Ravindran
10-04-2019
(RAVINDRAN T P)
AE (IT& PP)

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

Copy for kind information to:

1. CEO, PrasarBharati
2. Member (F), PrasarBharati
3. DDG (Tech & IR) w.r.t. case referred vide F.no. T-2/520(1)/2019-Tech, and for uploading on PrasarBharati Website please.

Procurement on Single Tender Enquiry (STE) and Proprietary Article Certificate (PAC) basis

1. Single Tender Enquiry (STE)

Procurement from a single source may be resorted to in the following circumstances:-

- 1.1 It is in the knowledge of the user department that only a particular firm is the manufacturer of the required goods.
- 1.2 In a case of emergency, the required goods are necessarily to be purchased from a particular source and the reason for such decision is to be recorded and approval of competent authority obtained.
- 1.3 For standardisation of machinery or spare parts to be compatible to the existing sets of equipment (on the advice of a competent technical expert and approved by the competent authority), the required item is to be purchased only from a selected firm.

(as per Rule 166 of GFR 2017)

2. Proprietary Article Certificate (PAC)

- 2.1 **Proprietary Article Certificate** in the prescribed form (Annexure-I) is to be provided by the Department before procuring the goods from a single source under the provision of sub Rule 1.1 and 1.3 of this document as applicable.
- 2.2 In procurement of goods, certain items are procured only from Original Equipment Manufacturers (OEMs) or manufacturers having proprietary rights (or their authorised dealers/ stockists) against a PAC certificate (Annexure-I) signed by the appropriate authority. Once a PAC is signed at the designated level as per Annexure-II (SoPP), the powers of procurement are the same as in normal conditions as per the delegation of powers. *This mode may be shortest but since it may provide lesser VfM (Value for Money) as compared to LTE/ OTE (Limited Tender Enquiry/ Open Tender Enquiry) and also strains the transparency principle, it should be used only in justifiable situations (Rule 1 of this document).*
- 2.3 **Terms and Conditions:-**
 - 2.3.1 Users should enclose, with their Indent, a PAC certificate indicating the justification and approval at the appropriate level as per Annexure-II for sourcing an item from OEM or PAC firms or their authorised agents;
 - 2.3.2 Proprietary items shall be purchased only from a nominated manufacturer or its authorised dealer as recorded in the PAC certificate;
 - 2.3.3 In certain unavoidable cases, the procuring authority may have no alternative but to waive payment of EMD/ SD for procurement on a proprietary basis;
 - 2.3.4 To the extent feasible, the firm may be asked to certify that the rates quoted by them are the same and not higher than those quoted with other Government, public sector or private organisations;
 - 2.3.5 In case of PAC/ single tender procurements:-
 - 2.3.5.1 Reports relating to such awards should be submitted to Procurement Policy Section of Prasar Bharati every quarter;

2.3.5.2 Internal audit may be required to check at least 10 (ten) per cent of such cases; and

2.3.5.3 Details of such contracts should be published on the website of the Procuring Entity.

2.4 PAC – Risks and Mitigations:

2.4.1 There is a risk that this mode may get used unjustifiably to restrict competition. Such risks get aggravated, in case of secrecy about such procedures as alternative vendor/ contractors may not even come to know about such opportunities. Therefore, the delegation of powers should be restricted for signing of PAC. Audit may take-up 10 (ten) per cent of cases of PAC procurements for review. Even in PAC procurements the NIT and the Award of Contract should be put on the website of CPPP and Procuring Entity.

2.4.2 Once approved, there is a risk of a nexus getting developed and the mode may continue to be used for many years, without fresh application of mind. Therefore, no item should be procured on PAC basis for more than three years, after which a mandatory OTE mode may be used, to test the market.

2.4.3 The bidder may charge a price higher than the market. Therefore, the firm should be asked to accept a "fall clause" undertaking that, in case it supplies or quotes a lower rate to other Governments, public sector or private organisations, it would reimburse the excess. Negotiations may be called for to get prices reduced.

(as per Rule 4.6 of MoF Manual 2017)

3. Single Tender Enquiry (STE) without a PAC

3.1 A tender invitation to one firm only without a PAC certificate is called a single tender. *This mode may be shortest but since it may provide lesser VFM as compared to LTE/ OTE and may also strain the transparency principle, it should be resorted to only under following conditions;*

3.1.1 In a case of existing or prospective emergency relating to operational or technical requirements to be certified by the indenter, the required goods are necessarily to be purchased from a particular source subject to the reason for such decision being recorded and approval of the competent authority obtained.

3.1.2 For standardization of machinery or components or spare parts to be compatible to the existing sets of machinery/ equipment (on the advice of a competent technical expert and approved by the competent authority), the required goods are to be purchased only from a selected firm. (Rule 1 of this document)

3.1.3 The reasons for a STE and selection of a particular firm must be recorded and approved by the Competent Authority (CA) as per the delegation of powers laid down at in Annexure-II (DFPR/ SoPP), prior to single tendering. Unlike in PAC, powers of procurement of STE are more restricted; and

3.1.4 Other terms and conditions of PAC procurement mentioned above would also apply in this case.

3.2 STE – Risks and Mitigations:

3.2.1 Same but more heightened risks than PAC are present in this mode. Selection of a single vendor may be non-transparent and unjustified. Same mitigation strategies as in the case of PAC should apply. Procurements on a STE basis

should be made from reputed firms after determining reasonableness of rates. Powers of procurement of STE should be severely restricted.

(as per Rule 4.7 of MoF Manual 2017)

4. Rate Reasonability Certification (RRC) can be done according the Standard Operating Protocol (SOP) for Procurement of Goods & Services in Prasar Bharati issued as per letter No. T-1/101/2018/IT&PP dated 20-08-2018. It has further clarified in the CVC guidelines which states that the estimated rate is a vital element in establishing the reasonableness of prices, it is important that the same is worked out in a realistic and objective manner on the basis of prevailing market rates, last purchase prices, economic indices for the raw material/ labour, other input costs, IEEMA formula, wherever applicable and assessment based on intrinsic value etc.

5. Procedure to be followed in Prasar Bharati

- 5.1** The Indenting Officer shall issue indent for procurement on PAC basis giving details of necessity of such procurement.
- 5.2** Based on the indent, a committee of senior officers of as per Annexure II, available at the Zonal Office/ Field Office/ Directorate, shall be constituted for PAC & RRC; however, the Head of Office cannot be part of these committees.
- 5.3** There shall be a threshold limit/ ceiling of Rs. 1.5 Lakh for procurement at Field offices and Rs. 10.00 Lakh for procurement at Zonal Offices. Proposals beyond these limits shall be sent to DG DD/ DG AIR as applicable.
- 5.4** The recommendations of the committee shall require the approval of ADG of the Zonal Office/DG AIR/DG DD as per Annexure II before initiating such procurement.
- 5.5** Compliance with all other general Rules in GFRs, CVC guidelines relating to procurement of goods and provisions in Manual of Procurement of Goods also need to be strictly followed.

ANNEXURE - I

Format for PAC Certificate

- 1. The indented goods are manufactured by M/s
- 2. No other make or model is acceptable for the following reasons:
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- 3. Concurrence of finance wing to the proposal vide:
- 4. Approval of the competent authority vide:

(Signature with date and designation of the indenting officer)

(as per Rule 166 of GFR 2017)

ANNEXURE - II

**Schedule of Procurement Powers (SoPP) for
Propriety Article Certificate (PAC) & Rate Reasonability Certificate
(RCC), in Prasar Bharati (AIR/DD)**

Sr. No.	PB (AIR/DD) Installations/offices	*Propriety Article Certificate (PAC) Committee Constitution	*Rate Reasonability Certificate (RRC) Committee Constitution	Sanctioning Authority	Estimated Cost of Proposal
1.	Field Offices	A three member committee of senior officers of at least Deputy Director level available at the Zonal/Field Offices	A three member committee of senior officers of at least Deputy Director level (other than those part of PAC committee) available at the Zonal/Field Offices	ADG (E) of Zonal Office	Up to Rs. 1.50 Lakh
2.	Zonal Offices	A three member committee of senior officers of at least Deputy Director General level	A three member committee of senior officers of at least Deputy Director General level (other than those part of PAC committee).	ADG (E) of Zonal Office	Up to Rs. 10.00 Lakh
3.	Directorate	A three member committee of senior officers of Additional Director General level	A three member committee of senior officers of Additional Director General level (other than those part of PAC committee).	DG DD/ DG AIR	More than Rs. 10.00 Lakh
*The Head of the Office should not be part of the Committees					