

Construction Contracts & e-Tendering

1.0 Purpose

The purpose of this procedure is to define a system to finalise entrustment of project to contractors and to conduct e-Tendering.

1.1 Application

This procedure is applicable to all the projects entrusted to **KSPH&IDCL** by the client organisation for execution of works.

All steps and processes of these activities shall be conducted in accordance with the provisions contained in KTPP Act and Rules, wherever applicable.

The procurement action can be generally broken down into the following activities:

- 1) Indent processing for approval of invitation of tender
- 2) Approval of invitation of tender
- 3) Issue of tender notification and publication in tender bulletin, new papers etc as decided/ required.
- 4) Receipt of technical, Administrative Approval & Approved DTS.
- 5) Preparation and uploading of Draft Tender schedule (DTS) to e-proc web portal (<https://eproc.karnataka.gov.in/eprocurement>).
- 6) Tender opening
- 7) Evaluation of Technical bid Document, Preparation of Comparative Statement and Proceedings of Tender Scrutiny Committee (TSC) based on Technical bids of the bidders.
- 8) Approval to TSC proceedings by SE/CE.
- 9) Opening of the financial bid of Technically Qualified Bidders.
- 10)
- 11) Preparation of TSC proceedings on financial bids and seeking the approval of MD to conduct Negotiations (if required) with successful bidder.
- 12) Conducting of negotiations (if approved by MD) Preparing TNC and seeking acceptance / rejection of the financial bids as per the recommendations of the TSC /any other committees formed by Tender Accepting Authority (TAA).
- 13) After approval from TAA, LOA to be issued and execution of agreement with the successful Tenderer/Bidder.
- 14) Issue of work order by the concerned EEs.

This procedure provides detailed guidelines for carrying out all these steps.

2.0 Responsibility

Responsibility and Authority for various activities towards purchasing process for entering into contracts are described in the procedure part.

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3.0 Terms and definitions

Construction works – putting up, demolishing, repairs or renovation of buildings, roads, bridges or other structures including fabrication of steel structures and all other civil works.

Contractor (or Tenderer) – Organization, or group of persons, or a person desiring to undertake construction works or other services through tender process

Customer / Client – Organisation or person that receives a product / service

Digital Signature Certificate (DSC) – An electronic equivalent of an ID card used in conjunction with a public key encryption system that establishes users' credentials for transacting on the Web. Issued by a certification authority (CA), it contains user name, serial number, expiration date, a copy of the certificate holder's public key (used for encrypting messages and digital signatures), and the digital signature of the certificate-issuing authority

Document – Information and its supporting medium.

e-Tendering Service Provider –KSPH&IDCL shall procure all its procurements of the value of which exceeds Rs. 5.00 Lakhs through e-procurement platform. Accordingly all the procurements above Rs. 5.00 Lakhs is procured through the e-procurement portal of GOK (web site: <https://eproc.karnataka.gov.in/eprocurement>).

Earnest money deposit (EMD) – the amount required to be deposited by a tenderer indicating his willingness to implement the Contract.

Notice inviting tender – A formal invitation for obtaining offers from intending contractors for construction works or other services

Pre-qualification (PQ) – Process by which the tenderers are first screened on the basis of experience and pass performance in execution of similar contracts for their capabilities with respect to personnel, equipment and construction or manufacturing facilities and resources like financial status to implement the Contract before they are permitted to offer their tenders.

As per GOK gazette notification No. DPAR 6 EPR 2012 (1) Dtd: 08.06.2012 KSPH&IDCL is following the procedures stipulated in the standard bid document (The Tenderer is allowed to upload the Tender Document in Single Stage – One cover or Two – cover Systems. The tendere uploads all the Technical bid documents required for Pre-Qualification and the financial bid document through e- procurement web portal.

Procurement entity – means Karnataka State Police Housing Corporation Ltd (KSPH&IDCL)

Procurement – Purchase of goods, obtaining of services or undertaking of construction works by the procurement entity

Requirement - need or expectation that is stated, generally implied or obligatory

Tender – The formal offer made for supply of goods or services in response to an invitation for tender in response to a tender published in a Tender Bulletin including construction works with an express intention to enter into contract

Tender Accepting Authority (TAA) – An officer or a committee appointed by Procurement Entity to accept tenders, under Section 9 of KTPP Act.

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Tender Inviting Authority (TIA) – An officer or a committee appointed by the Procurement Entity to invite tenders

Tender Bulletin – A bulletin published for the State as a whole or for any district or districts within the State containing the details of invitation, processing and acceptance of tenders.

Tender document – The set of papers or / and / the information in electronic form detailing the schedule of works, calendar of events, requirement of goods and services, technical specifications, commercial conditions, procurement criteria and such other particulars as may be prescribed for evaluation and comparison of tenders.

Tender Scrutiny Committee (TSC) - **TAA** may constitute such committee for all such procurements and works tendered for KSPH&IDCL or other departments wherever intricate input and decision is required in finalising the Contractor / Supplier to the fullest satisfaction of the Client Organisation

Tender Negotiation Committee (TNC) - **TAA** may constitute such committee for all such procurements and works tendered for KSPH&IDCL or other departments wherever intricate input and decision is required in finalising the Contractor / Supplier to the fullest satisfaction of the Client Organisation

4.0 Procedure

The various clauses of this procedure comply with the requirements of The Karnataka Transparency in Public Procurements Act 1999 (KTPP Act), and KTPP Act & Rules 2000, and notifications issued under Procurement Reforms, wherever applicable. All the provisions of this procedure comply with the requirements of these statutory requirements. EE (Contracts) shall keep track of any change, amendment, and revision made in respect of these statutory requirements and shall accordingly revise this procedure through the MR.

Accordingly, civil works up to a value of Rs. 5 lakhs (INR 500,000) are exempted from KTPP Act. The Executive Engineers at the Divisional level shall invite tenders for all projects of value up to Rs. 25 lakhs (INR 2.5 M). For projects whose value exceeds Rs. 25 lakhs (INR 2.5 M), the Executive Engineer (Contracts) in the HO shall invite the tender.

The Executive Engineer / Tender Scrutiny Committee if constituted for recommending tender acceptance, will forward the proposal to the appropriate Tender Accepting Authority. In KSPH&IDCL, the delegation of financial powers is as mentioned below. These are applicable for civil, electrical and all other works. Viz., Purchase of Goods, obtaining of services etc.,

Delegation of Financial Powers

1. To accord administrative sanction to works

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Note: Administrative sanction can be accorded only in respect of works for which budget provision to the extent of 100% of the estimated cost exists

Nature of works	MD
Original works (Residential and Non Residential) Schemes or Deposit Contribution works	Full powers
Repair works ordinary and special (Residential and Non Residential) Schemes or Deposit Contribution works	Full powers

2. To accord technical sanction to detailed estimates or works (which are covered by administrative sanction) or parts of works sanctioned

Original estimates for original works

Nature of works	MD
Buildings & Roads works	Full powers

Estimate of repairs works:

Nature of works	MD

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Ordinary and Special Repairs to buildings, residential as well as non residential	Full powers
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3. To assign sanctioned works either wholly or in part for execution as Tender accepting Authority

Nature of works	MD
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<p>To contractors after calling for tender and accepting the lowest of eligible tenders or the single tender, if any, provided that the rates of the acceptable tender does not exceed the corresponding amount of sanctioned estimate recast on the basis of CSR</p>	<p>All works irrespective of amount of sanctioned estimate as long as the cost of work or part of it, if any, exceeds the corresponding amount of the sanctioned estimate recast on the basis of CSR by not more than 15%</p>
<p>Entrustment of piece works at rates not more than CSR with or without invitation of public tenders to the best advantage of Corporation.</p>	<p>Full powers</p>
<p>According approval to extra or deviated items in case of works carried out on contract basis (EIRL)</p>	<p>Full powers</p>
<p>Nature of works</p>	<p>MD</p>

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<p>To pass excess amount over original estimate of original works and repair excluding annual maintenance work sanctioned by them, not involving any material iteration in the design, irrespective of the amount of excess over sub-heads arising from deviation in quantities and rates.(WORK SLIP)</p>	<p>Full powers</p>
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4.1 Abbreviations used:

D = Document	R = Record
CMD = Chairman and Managing Director	
ED = Executive Director	
FA = Financial Advisor	CE = Chief Engineer
SE = Superintending Engineer	EE = Executive Engineer
HO = Head Office	QC = Quality control and contracts
Client = User department	NIT = Notice Inviting Tender
LOA = Letter of Award/ Acceptance	CSR = Current Schedule of rates
EIRL = Extra Item Rate List	GOK = Government of Karnataka

4.1.1 Initiation of NIT

Sl. No.	Responsibility	Activity description	Time allowed for completion	D / R	D / R Reference
1	MD, CE	Administrative approval to take up the project	7 days from the date of receipt of enquiry	R	Client's enquiry
2	EE (Contracts)/ EE (Division)	Preparation of NIT and obtaining approval from	2 Days from receipt of	R	

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Sl. No.	Responsibility	Activity description	Time allowed for completion	D / R	D / R Reference
		Competent Authorities (If required)	directions from CE/SE (Contracts)		
2	SE	Technical sanction to estimate	7days after preparation of estimate	R	F : 11 - 1
3	FA, CAO	Expenditure Sanction	7 days from receipt of Technical Sanction Memo from SE (II & III)	R	
4	SE	Fixing of Contract Period	7 days from receipt of Administrative Approval to the detailed estimate from MD	R	
5	EE (Contracts) / EE (Division)	Preparation of NIT and obtaining approval from Competent Authorities	2 days from receipt of Technical sanction memo from SE (Contracts)	R	
6	EE (Contracts)	Registration of Contractors	As and when required	R	
7	EE (Contracts) / EE (Division) / EE (PM)	Publication of NIT in a) KSPH&IDCL website b c) NEWS papers with the approval of CE	Immediately on approval Immediate Within 3 days	D	
8	EE (Contracts) / EE (Division)	Arrangements for publication of NIT in the relevant tender bulletin	Immediate	R	

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4.2

Sl. No.	Responsibility	Activity description	Time allowed for completion	D / R	D / R Reference

4.3 Issue of tender documents

Sl. No.	Responsibility	Activity description	Time allowed for completion	D / R	D / R Reference
1	EE (Contracts) / EE (Division)	ISSUING OF Tender Document through the e procurement portal.	The tender Documents are uploaded to the e procurement portal and are made available for downloading on the site.	R	

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4.4 Receipt and opening of tenders

Sl. No.	Responsibility	Activity description	Time allowed for completion	D / R	D / R Reference
1	Receipt of tenders by e-procurement / GOK & opening of tender by EE (Contracts) / EE (Division)	Receipt of tender documents through electronic form – ie. uploading of both the Technical & financial bids by the tenderer using the DSC (Digital Signature Certificate.) in the e-Tendering Service Provider's web site. (E-proc web portal.)	As indicated in NIT	R	To be submitted by Contractors / contractors – F-11-02 F-11-03
3	EE (Contracts) / EE (Division)	Preparation of comparative statement based on online tenders submitted on e-procurement web portal.	Within 3 days after opening of tenders	R	

4.5 Evaluation of tenders

Sl. No.	Responsibility	Activity description	Time allowed for completion	D / R	D / R Reference
1	EE (Contracts) / EE (Division) / CAO	Evaluation of standard bid documents / tenders based on online tenders submitted	5 days from the opening of the tenders	R	
2	CE / SE Representative of Accounts section	Conducting negotiations with L1 wherever required	Within 7 days after getting Approval from the Tender	R	

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			Accepting Authority.		
3	MD/ CE/ FA	Pre-award discussions	whenever required (optional)	R	
4	MD / CE / FA	Tender acceptance	As per letter of award	R	
5	EE (Contracts) / EE (Division)	Issue of letter of Award (LoA) to the successful tenderer	Within 3 days after approval to tender by TAA	R	
5	CAO / EE (Contracts) / EE (Division)	Return of EMD to all unsuccessful tenderers except to L1.	After issue of LOA to L1 tendere. (Through e-procurement portal.)	R	F-11-04
6	EE (Contracts)	Refund of EMD of L1 tenderer / bidder. Furnishing of security deposit in the form of BG	After receipt of letter of acceptance from L1 bidder along with BG towards SD valid upto the end of maintenance period. A register to be maintained for all the Bank Guarantees kept in safe custody of the contracts section and one month prior to the expiry of the validity of Bank Guarantee the concerned Contractor shall be addressed to renew the same within the	R	- F-11-05 F-11-06

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							<p>validity period of Bank Guarantee, if the extension of the validity of the Bank Guarantee is necessary. If extension of the validity is not arranged by the Contractor, necessary action to get the same en-cashed shall be taken. In case if the renewal of the Bank Guarantee is not necessary, discharge certificate is to be issued.</p>
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4.6 Entering into contract

Sl. No.	Responsibility	Activity description	Time allowed for completion	D / R	D / R Reference
2	EE (Contracts) / EE (Division)	Entering into agreement with the successful tenderer / bidder	Within 15 days from the date of LoA	R	-F-11-07
3	EE (Contracts) / EE (Division)	Dispatch of agreement copies to the Division, technical section, finance and to the tenderer / bidder.	Within 5 days after entering into agreement	R	
4	EE (Division)	Issue of work order to the successful tenderer /	Within 5 days after receipt of	R	

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Sl. No.	Responsibility	Activity description	Time allowed for completion	D / R	D / R Reference
		bidder.	agreement		

4.7 Evaluation of Contractor's performance

Sl. No.	Responsibility	Activity description	Time allowed for completion	D / R	D / R Reference
1	EE (Division)	Evaluation after the closure of contract but before final bill as per evaluation criteria	Within 30 days after the closure of contract	R	-F-11-08
2	EE (Contracts)	Evaluation of Tenderer/Bidders performance report	Based on the reports submitted by the EEs of the concerned KSPH&IDCL divisions, the tender scrutiny Committee will take action for awarding the future work contracts.		

In case of tenders called by EE (Division), the approvals from the Head Office to be obtained before awarding the contracts.

5.0 Records

Sl. No	Name of the Record	Authorizing Personnel	Custodian of record	Retention Time
1	NIT	MD	AE/FDA contracts	3 years after closure of contract
2	Applications received along with the details received	EE (Contracts) / EE (Division)	AE/FDA contracts	3 years after closure of

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	from Contractors			contract
3	Contract Agreement	EE (Division)	EE (Contracts)/EE (Division)	Permanent record

6.0 Reference

- a) ISO 9001: 2008 Clause Number 7.4
- b) IMS Manual Clause Number 7.4
- c) KTPP Act, Rules and notifications

7.0 Associated Documents

- a) Procedure for control of documents IMSP 01
- b) Procedure for control of records IMSP 02

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<p>Approved by : Managing Director</p>
