



PM Cell – MM

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Sub: Relative Weightage (Technical: Price) for Quality and Cost Based Selection (QCBS) for Consultancy Services

Reference is invited to Para 11.3 of IMMM, wherein inter-alia the type of services where QCBS methodology is applicable has been specified and attention is also invited to Para 11.3.3 of IMMM, wherein it has been stipulated that based on the technical influence and value impact of the service proposed to be procured, for applicability of QCBS and relative Weightage (Technical: Price) for quality and cost to be adopted, approval of a Committee of Directors (CoD) comprising of Director (Finance), Director-l/c MM and Director concerned shall be obtained. The CoD is fully empowered to modify and approve Technical: Price weightage. Further, QCBS is applicable for procurement of services which are characterized by high degree of technical influence and high value impact and where it is justifiable to pay appropriately higher price for higher quality.

Reference is also invited to Letter No. MAT/PMC/QCBS/2021 dated 12.08.2021, from Chief MM to Key Executives advising them that while preparing QCBS matrix, relative weightage of 30:70 (technical: price) may be followed in all the future QCBS cases. However, it has been observed that in view of this letter, some Work Centers are adopting the 30:70 formula (technical: price) for Consultancy Services also.

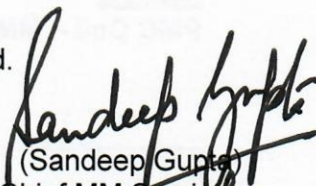
In this regard, reference is invited to Rule 192 of General Financial Rules 2017, which inter-alia stipulates that for Consultancy Services, the weightage of non-financial parameters should not exceed 80%. Further, under Para 3.9 of Manual for Procurement of Consultancy & Other Services issued by Department of Expenditure, Ministry of Finance, suggested weighting of scores for QCBS has been stipulated as under:

Description	Remarks	Quality/Cost Score Weighting (%) in QCBS
High complex/downstream consequences/ specialized assignments	Use QCBS with higher technical weightage	80/20
Moderate complexity	Majority of cases will follow this range	75-65/35-25
Assignments of standard or routine nature such as auditors/ procurement agents handling the procurement	Use of LCS is appropriate	60-50/40-50

In view of the above, it is clarified that guidelines issued vide aforesaid letter dated 12.08.2021 shall not be applicable for hiring of Consultancy Services. For Consultancy Services, while incorporating the QCBS methodology, the work centers should carefully examine the relative weightage (Technical: Price) for quality and cost, to be mentioned in tender but the weightage of non-financial parameters (i.e. Technical parameters) should not exceed 80%. The relative weightage (Technical: Price) for quality and cost may be proposed

by the work centers based on the technical influence and value impact of the services proposed to be procured and the approval of Committee of Directors (CoD) be obtained as per para 11.3.3 of IMMM.

Above guidelines should be meticulously followed by all concerned.


(Sandeep Gupta)
ED-Chief MM Services
12/5/23

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