



PMC Cell – MM

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Sub: Holding negotiation against cases of procurements through QCBS mode.

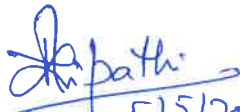
Reference is invited to provisions under para-11.3.7 and 14.1.1 of the MM Manual stipulating that reasonability of rates is not required to be established in tenders invited on QCBS methodology. EPC in its Meeting (04/2020) held on 17.03.2020 while deliberating a proposal of PMC regarding ascertaining reasonability of rates for procurement against QCBS mode opined that an enabling provisions is required to be made in MM Manual for undertaking price negotiation with the B1 bidder for arriving at an appropriate /justifiable price commensurate with quality of the product quoted.

In view of the above, EPC advised that till a detailed methodology for holding negotiations in QCBS cases is incorporated in MM Manual, negotiations with B1 bidder may be conducted where no distribution of quantity among bidders is envisaged, with the approval of competent authority as defined for allowing price negotiations with L-1 bidder in non-QCBS cases, in the following scenarios:

- i) The prices quoted by the B1 bidder are found to be substantially higher than LPR/Cost estimate for item of the same or the better QCBS parameter product, if available
- ii) There is general perception of prices having gone down globally after the last contract was awarded or after submission of bid against the tender under evaluation and the prices are belived to be at lower level for quite some time.

Cases under QCBS involving distribution of quantity among bidders may be kept on hold till the time detailed guidelines are issued.

Above guidelines should be meticulously followed by all concerned.


5/5/2020
(A.P. Tripathi)

ED-Chief MM Services

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