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No. RW/NH-24020/2/99-PIC

Dated, the 4th September, 2000

To

The Chief Secretaries of all State Governments; Secretaries of Works Departments dealing with National Highways; Chief Engineers of all State/UT PWDs dealing with NH and other centrally sponsored works; Secretary, Border Road Development Board; Director General Border Roads; Chairman, National Highways Authority of India

Subject : Standard Bidding Document for works costing more than Rs.5.00 crore

The need, for standardization of bidding procedures and documents for National Highway projects has been felt for long as various State organizations have been following their own procedures, usually applicable to their own State works, and as a result uniformity at national level was lacking. During the last few years, efforts have been undertaken to evolve a document and a set of uniform procedures which are in tune with modern contracting systems. A number of agencies, such as, World Bank, Ministry of Finance and representatives of various Government departments including this Ministry participated in the efforts and came out with a document which

1-Supersedes all earlier bid documents

2-Amended vide circular dated 24.01.2007, 27.11.2009, 16.03.2010, 06.05.2010, 21.05.2010, 04.11.2010, 15.03.2011, 01.04.2011, 13.06.2011, 12.04.2012 & 13.06.2014

was further refined and fine-tuned through internal consultations in the Ministry as well as between Ministry and State Govt. officials of Works Departments. These efforts have now culminated into finalization of a Standard Bidding Document (SBD) for procurement of civil works for National Highways.

Indian Roads Congress have published the document, which are now available for sale from their office at Jamnagar House, New Delhi. The document is in two parts, one containing the complete document and the other containing various forms, and is provided in two sets of each part. The bid inviting authorities should procure documents from IRC in adequate number for issue to bidders. Each bidder will be issued the original document and he is required to fill-in the information on the original forms only. Wherever information has to be provided to the bidder by the authority inviting the bid, these will also be provided on the original forms only. In no case copies or typed copies should be acceptable except in the case of the Form of Agreement which would have to be on stamp paper of appropriate denomination and for any supplementary information to be furnished by the bidder in response to the bid conditions.

### 3. MAIN FEATURES OF SBD

3.1. SBD attempts to incorporate all essential features of a model document, such as, a fair and transparent set of procedures and contract conditions, acceptable methods of dispute resolution, incentives for early completion and damages for delays, etc. The document has been made applicable, initially to works costing Rs.5.00 crore and above.

3.2. The limits of pre-qualification specified by Ministry, which is Rs.20 crore and above remains unchanged. Wherever post-qualification has to be done (i.e. for works costing between Rs.5 and 20 crore), the qualification information required to be furnished by the bidder as per Section 2 shall be one of the important conditions for checking responsiveness of the bidder. Wherever pre-qualification has to be done (i.e. for works costing more than Rs.20 crores), separate pre-qualification document shall be issued at appropriate time in advance. In the intervening period, the basis for pre-qualification will be decided by the authority calling the bid in accordance with qualification information as per Section 2 appropriately adjusted for cost of works.

### 4. TWO STAGE EVALUATION

4.1. Bidding has to be a two stage process, viz. technical bid and financial bids. These two bids have to be received simultaneously but in separate sealed envelopes. Financial bids of only those bidders will be opened, whose technical bids have been found substantially responsive to the bid conditions, i.e., the bidder accepts the bid conditions without reservation or material deviation. If a bid does not contain the right amount of bid security which is to be furnished with the technical bid, his entire bid will be summarily rejected. It has often been observed that bidders omit some important information or give some information on wrong pretext or inadequate understanding of the bid conditions. Eventhough the process of a Pre-bid Meeting has been provided in the document, during which a bidder can seek and get clarification for their questions, it has been decided to give them a second opportunity to rectify their mistakes. This will be immediately after evaluation of their technical bid. The bidders will be asked to correct the rectifiable mistakes within seven days. Where such corrections have a financial bearing the bidders will be permitted to submit a revised financial bid by a specified date before opening of financial bids.

4.2. Financial bids will remain sealed, and in the safe custody of the authority inviting the bid until the scheduled time of opening of the bid. Arithmetical correction of the bid, their acceptance by the bidders, unrealistically low priced items in the bid and additional performance security are some of the important aspects which need to be considered in financial evaluation of the bids.

### 5. TIME SCHEDULE FOR BIDDING ACTIVITIES

5.1. It has been decided that a strict time schedule be followed for evaluation of bids and award of contracts. Time for accomplishing various activities have been given in the *Appendix*. The entire process from the date of receipt of bid to award of contract shall be completed within 40 days. In order to accomplish this task the State Govts. are advised to take the following steps immediately.

- (a) Form Evaluation Committees headed by officer with adequate powers and jurisdiction. (For example, if the bid is invited by Chief Engineer, he should head the Committee). In no case the Evaluation Committee should be headed by an officer below the rank of Superintending Engineer in case of State Govt./General Manager in case of NHAI. The Committee

must include the SE/EE or GM/Dy. GM/Manager of the concerned Grade and Division. It would be preferable to include an officer from Finance Discipline.

- (b) Financial powers should be delegated to Chief Engineers/Engineer-in-Chief of the zones/Members in case of NHAI to decide tenders of appropriate value, say not less than Rs. 20 crore. The powers of acceptance of tenders above the estimated cost, however, shall continue to be regulated by the existing instructions of the Ministry.
- (c) Where State Governments desire to exercise financial control over the officers responsible for invitation and acceptance of tenders within their powers, they should formulate a separate review mechanism but should cut down the levels of approval.

## 6. MISCELLANEOUS

6.1. Sealing, marking, opening instructions need to be carefully studied and followed so that the bids are not inadvertently opened.

6.2. Bill of Quantities should be stored in electronic format in some spread sheet program and the price as quoted by various bidders should be filled therein in the presence of the bidders who choose to attend for arithmetical checking. The result of arithmetic checking and authentication and acceptance thereof should be done on the same day.

6.3. Bidders should be encouraged to participate in the bid opening. A bid opening report should be prepared in their presence and got initiated from them.

6.4. Pre-bid Meeting should be seriously taken and officers holding this meeting should be able to furnish clarifications required from them.

7. The SBD will become applicable to all National Highway works except externally aided and privately financed projects costing more than Rs. 5 crore with effect from ....

8. The contents of the circular should be brought to the notice of all concerned for strict compliance.

*Appendix*

*[Enclosure to Ministry's Circular No. RW/NH-24020/2/99-PIC dated, the 4th September, 2000]*

### NEW PROCEDURE FOR AWARD OF CIVIL WORK CONTRACT TO BE EFFECTIVE FROM 04.07.2000 (LCB)

S.No.	Steps	Information to be included, documents to be examined and other details	Time Frame (Time reckoned from receipt of bid) for completion of step
(1)	(2)	(3)	(4)
(1)	Invitation of applications for pre-qualification of contractors	(As per existing procedure)	
(2)	Sale of PQ Document	(-do-)	
(3)	Receipt of PQ applications	(-do-)	
(4)	Evaluation of PQ applications	(-do-)	
(5)	Clarification from applicants	(-do-)	
(6)	Intimation of PQ results	The estimated cost(s) to be awarded shall be within pre-qualification limit of the contractor Current Bid Capacity should be more than the estimated cost of the package	
(7)	Finalisation of bid document	Changes in 'Instructions to Bidder' to be incorporated, to be in conformity with suggested changes.	
(8)	Invitation of bids	(As per existing procedure)	
(9)	Sale of bid Documents	(-do-)	

(1)	(2)	(3)	(4)
(10)	Bid Evaluation Committee	(-do-)	
(11)	Receipt of Bids	<p>To be received upto the date and time specified. Bids received late not to be accepted and to be returned unopened.</p> <p>Bids shall be sealed (original + copy) at the time of receipt. Bid security and technical bid including equipment, personnel, programme, etc., each in separate sealed envelope and both inside another sealed envelope. Financial bid containing original bill of quantities (BOQ) and copy of BOQ, to be furnished in another sealed envelope. All to be put in an outer sealed envelope.</p>	
(12)	Opening of Bids	<ul style="list-style-type: none"> <li>- Opening of envelope containing 'bid security and technical bid'</li> <li>- Check form, amount validity period and bank of bid security. If it does not conform to the Bid Document, the envelopes containing remaining 'Technical Bid' and 'Financial Bid' to be returned unopened. The sealed envelope containing 'Financial Bid' to be signed by the bid opening committee members and representatives of bidders.</li> <li>- Opening of envelope containing 'Original BOQ' of only those bidders whose technical bid is qualified.</li> </ul>	Day 0
(13)	Evaluation of Technical Bids	<p>(i) Evaluation of Technical Bids by the Evaluation Committee</p> <ul style="list-style-type: none"> <li>- Write to Banks for confirmation of Bid Security to get response within 7 days.</li> <li>- Check eligibility. The estimated cost of the package to be awarded is within the pre-qualification limit or the balance of pre-qualification limit.</li> <li>- Checking of updation of pre-qualification information:</li> </ul> <p>(a) Debarring, expulsion and termination of contracts - Any such affirmative information will disqualify.</p> <p>(b) Identity and composition of firm - no change from pre-qualification to be permitted.</p> <p>(c) Information for current bid capability.</p> <ul style="list-style-type: none"> <li>- Check that the current bid capacity is higher than the estimated cost.</li> <li>- Checking of the bids</li> <li>- Checking of Power of Attorney submitted</li> <li>- Checking of confirmation of bid security from issuing bank</li> <li>- Affidavit furnished.</li> <li>- JV Agreement (if any) submitted</li> <li>- Availability of Credit Line</li> <li>- Work Programme</li> <li>- Key personnel</li> <li>- Key equipment</li> <li>- Prepare list of queries to be asked from bidders, and issue of letter to the bidders i/c. intimation of date of opening of financial bid on Day 21</li> <li>- Bidders response to the letter seeking clarification</li> <li>- Meeting of evaluation committee to examine submitted response and finalise list of responsive bidders</li> </ul>	<p>Day 1</p> <p>Day 7</p> <p>Day 10</p> <p>Day 17</p> <p>Day 20</p>

