



TEQIP teqip <teqip@nitj.ac.in>

Amendment to the procurement guidelines regarding the Value Thresholds and Review Arrangements - reg.

NPIU <teqip.npiu@gmail.com>

Tue, Jul 1, 2014 at 3:12 PM

To: nsm@nitw.ac.in, teqip.nits@gmail.com, prajbongshi@yahoo.com, aas@med.svnit.ac.in, aswarup@nitkkr.ac.in, akhilesh.swarup@gmail.com, teqipnith@gmail.com, asheesh_k_singh@yahoo.com, ramvinoysharma@yahoo.co.in, krishnprasad@gmail.com, btkuzhiveli@nitc.ac.in, atm@nitc.ac.in, teqip@nitc.ac.in, teqipphase2@gmail.com, arunshandilya@yahoo.com, deanr_c@vnit.ac.in, drpeshwe@rediffmail.com, teqip@vnit.ac.in, kpr@nitrr.ac.in, chandrar@nitj.ac.in, mlmittal.mnit@gmail.com, teqipcell@gmail.com, teqip@nitt.edu, teqipmnnit@gmail.com, deanpd@mnnit.ac.in, kcghanta@yahoo.com, kartik.ghanta@che.nitdgp.ac.in, teqipism@gmail.com, hodfmeism@yahoo.co.in, sanjeev@nitp.ac.in, arsagtwave@gmail.com, mm@nerist.ac.in, sudipta.it@gmail.com, bansala@nitj.ac.in, coordinatorteqip@nitj.ac.in, omarfarooq70@gmail.com, hk67@rediffmail.com, choprahk67@gmail.com, teqip2sliet@gmail.com, pablabl@yahoo.com, ssanyal.mech@nitrr.ac.in

Sir,

As you are aware, the project entities (i.e. Project Institutions (PIs), State Project Facilitation Units (SPFUs) & National Project Implementation Unit (NPIU)) are required to process all the procurement activities of TEQIP-II through Procurement Management Support System (PMSS).

2. Recently, NPIU had received a communication from the World Bank regarding the applicable New Procurement Business Model (NBM) for the project (attached as Annex A).

3. Under the NBM, all the thresholds for various selection methods applicable for the project stands revised as under:

Category	Value per contract (Earlier)*	Value per contract (New)*	Procurement Method	Review
Goods				
	Nil	>= Rs 50,000,000 <= Rs 150,000,000	National Competitive Bidding (NCB)	Prior
	> Rs 1,000,000 <= Rs 15,000,000	< Rs 50,000,000	National Competitive Bidding (NCB)	Post
	<= Rs 1,000,000	<= Rs 2,500,000	Shopping	Post
	Proprietary Equipment > Rs 1,000,000	Proprietary Equipment > Rs 2,500,000	Direct Contracting	Prior

	Proprietary Equipment <= Rs 1,000,000	Proprietary Equipment <= Rs 2,500,000	Direct Contracting	Post
Furniture	<= Rs 1,000,000	<= Rs 2,500,000	Shopping	Post
Books & Learning Resources	> Rs 1,000,000	> Rs 2,500,000	Direct Contracting / Shopping	Prior
	<= Rs 1,000,000	<= Rs 2,500,000	Direct Contracting / Shopping	Post
Minor Items	<= Rs 25,000	<= Rs 50,000	Direct Contracting	Post
Works	> Rs 1,500,000	>= Rs 250,000,000 <= Rs 500,000,000	National Competitive Bidding (NCB)	Prior
	> Rs 1,500,000	< Rs 250,000,000	National Competitive Bidding (NCB)	Post
	<= Rs 1,500,000	<= Rs 2,500,000	Shopping	Post
	<= Rs 50,000	<= Rs 50,000	Direct Contracting	Post
Services	> Rs 1,000,000	> Rs 50,000,000	Quality and Cost Based Selection (QCBS)/ Fixed Budget Selection (FBS)/ Least Cost Selection	Prior
	> Rs 5,000,000 <= Rs 1,000,000	> Rs 5,000,000 <= Rs 50,000,000	Quality and Cost Based Selection (QCBS)/ Fixed Budget Selection (FBS)/ Least Cost Selection	Post
	<= Rs 5,000,000	<= Rs 10,000,000	Least Cost Selection (LCS)/ Consultant's Qualification Based Selection (CQS)/ Fixed Budget Selection (FBS)	Post

	> Rs 100,000	> Rs 500,000	Single Source Selection (SSS)	Prior
	<= Rs 100,000	<= Rs 500,000	Single Source Selection (SSS)	Post
	Nil	> Rs 5,000,000	Individual Consultant Selection (ICC)	Prior
	Nil	<= Rs 5,000,000	Individual Consultant Selection (ICC)	Post

The conversion rate is taken as 1 US Rs 0

4. Additionally, the Bank also discontinued ex-ante review and no objection by the World Bank of the following related to post review contracts:

- a. rebidding
- b. extensions of bid validity periods
- c. amendments to oods Works consultancy ontracts (unless the resulting contract amounts after amendment exceeds agreed Prior Review Threshold)
- d. very small contracts (below US 10,000)
- e. Individual consultants contracts (below US 10,000) selected on sole source basis with the exception of critical assignments

. Accordingly, the PMSS software would be updated soon as per these new thresholds. All the above changes are now applicable in the project.

6. All the project institutions are requested to make necessary changes in their procurement plans, if required.

With regards,

ours faithfully,

Prof A U Digraskar

Central Project Advisor

National Project Implementation Unit (NPIU)

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The World Bank

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May 15, 2014

Prof. A. U. Digraskar
Central Project Advisor
National Project Implementation Unit
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18-A, Sector 16-A
Gautam Budh Nagar
Noida – 201 301 (U.P.)

Dear Prof Digraskar,

Please find attached DEA's approval of the New Procurement Business Model (NBM) coming as a result of Bank's proposal on Ways and Means to Enhance Procurement Management in Bank's funded portfolio. This proposal is now put for implementation to all projects financed by the Bank. As discussed during last Implementation Support Mission, here below are the main updates impacting procurement activities of your project:

1. Revised Thresholds for Procurement Methods: thresholds have been revised as follows:
 - a. Goods up to \$3 million equivalent can be procured using NCB
 - b. Works up to \$10 million equivalent can be procured using NCB
 - c. Goods and Works up to \$50,000 can be procured using shopping
 - d. Direct contracting (goods) up to \$50,000 – Books and proprietary items and up to \$ 1,000 – for minor items
2. Discontinued ex-ante review and no objection by Bank of the following decisions related to post review contracts:
 - a. rebidding
 - b. extensions of bid validity periods
 - c. amendments to Goods/ Works/Cons contracts (unless the resulting contract amount after amendment exceeds agreed Prior Review Threshold)
 - d. very small consulting contracts (below \$10,000); and,
 - e. Individual consultants contracts (below \$10,000) selected on sole source basis with the exception of critical assignments
3. Revised Thresholds for Prior Review by Bank:
 - a. Works \$5 million and above
 - b. Goods \$1.0 million and above
 - c. IT and non-consultancy services \$1.0 million and above
 - d. Consultancy services by firms \$0.20 million and above

- e. Consultancy services by individuals \$0.10 million and above
- f. Single source selection of consultants \$10,000 and above

You are kindly invited to advise institutes to update their respective procurement plans taking into account the new thresholds indicated above for both procurement methods and also for prior review thresholds. The revised procurement plan agreed for the project will be entered into the system after clearance from the BoG/ MC of respective institutions. Further the PMSS needs to be updated with revised thresholds.

We are available for any support or clarification you might require.

Thanks and best regards,

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Toby Linden', with a stylized flourish at the end.

Toby Linden

Lead Education Specialist and Task Team Leader

Annex 1: NCB Provisions

Existing NCB Condition	Revised NCB Condition (DEA approved modifications)
Only the model bidding documents for NCB agreed with the GOI Task Force (and as amended for time to time), shall be used for bidding	No change
Invitations to bid shall be advertised in at least one widely circulated national daily newspaper, at least 30 days prior to the deadline for the submission of bids	Invitations to bid shall be advertised in at least one widely circulated national daily newspaper (or on a widely used website or electronic portal with free national and international access along with an abridged version of the said advertisement published in a widely circulated national daily inter-alia giving the website/electronic portal details from which the details of the invitation to bid can be downloaded), at least 30 days prior to the deadline for the submission of bids
No special preference will be accorded to any bidder either for price or for other terms and conditions when competing with foreign bidders, state-owned enterprises, small-scale enterprises or enterprises from any given State	No change
Except with the prior concurrence of the Bank, there shall be no negotiation of price with the bidders, even with the lowest evaluated bidder	No change
Extension of bid validity shall not be allowed without the prior concurrence of the Bank (i) for the first request for extension if it is longer than four weeks; and (ii) for all subsequent requests for extension irrespective of the period (such concurrence will be considered by Bank only in cases of Force Majeure and circumstances beyond the control of the Purchaser/ Employer)	Extension of bid validity shall not be allowed with reference to Contracts subject to Bank prior review without the prior concurrence of the Bank (i) for the first request for extension if it is longer than four weeks; and (ii) for all subsequent requests for extension irrespective of the period (such concurrence will be considered by Bank only in cases of Force Majeure and circumstances beyond the control of the Purchaser/ Employer)
Re-bidding shall not be carried out without the prior concurrence of the Bank	Re-bidding shall not be carried out with reference to Contracts subject to Bank prior review without the prior concurrence of the Bank
The system of rejecting bids outside a pre-determined margin or "bracket" of prices shall not be used in the project	No change
Rate contracts entered into by Directorate General of Supplies and Disposals will not be acceptable as a substitute for NCB procedures. Such contracts will be acceptable however for any procurement under the Shopping procedures	Rate contracts entered into by Directorate General of Supplies and Disposals will not be acceptable as a substitute for NCB procedures unless agreed with the Bank on case to case basis. Such contracts will be acceptable however for any procurement under the Shopping procedures
Two or three envelope system will not be used	Two or three envelope system will not be used (except when using e-Procurement system assessed and agreed by the Bank)

Nilaya Mitash

Joint Secretary

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संस्कृत

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Government of India
Ministry of Finance
Department of Economic Affairs
North Block, New Delhi - 110001
No.01/03/2010-FB.II

12th April, 2013
03rd May,

Dear Sirs,

With regards to the Track C changes in procurement procedure relating to World Bank Projects, DEA has concurred with the changes as listed in the Annexure. The changes in NCB conditions have been approved for experimentation for a period of one year to see their impact and evolve future course of action.

2. In addition to these changes, DEA requests the following:

- a) That all Bank procurements should move to e-procurement platforms by March 2014. Also, e-procurement should become the preferred method for procurement for all new projects.
- b) Bank should also actively consider the following:-
 - (i) Revising thresholds for various procurement methods (shopping and NCB)
 - (ii) Revising thresholds for prior review based on assessment of procurement capacities of each project authority (as per a well thought out framework).
 - (iii) Capacity building of all implementing agencies to go hand in hand with these changes (based on a well designed capacity building plan).

With regards,

Yours sincerely,

(Nilaya Mitash)

Mr. Omno Ruhl
Country Director
World Bank (India)
70, Lodhi Estate
New Delhi-110003

08th May

Annexure to D.O letter No. 01/03/2010-FB II dated 12th April 2013

Following are Specific Changes in NCB Conditions approved by DEA as an experiment for one year: -

1. Discontinuing ex-ante review of a number of transactions as follows:
 - Discontinue prior review of rebidding decisions with respect to post review contracts (presently required by NCB conditions for India).
 - Discontinue prior review of extensions of bid validity periods with respect to post review contracts (presently Required by NCB conditions for India)
 - Discontinue prior review of amendments to Goods/ Works/Consultancy contracts that are subject to post review (unless the resulting contract amount exceeds agreed prior review threshold)
 - Discontinue prior review of very small consulting contracts and individual consultants contracts selected on sole source basis with the exception of critical assignments (to be identified in Procurement Plan)
2. Changes in bidding conditions of NCB:

Current Condition	DEA approved Modification
(i) Invitations to bid shall be advertised in at least one widely circulated national daily newspaper, at least 30 days prior to the deadline for the submission of bids;	Invitations to bid shall be advertised in at least one widely circulated national daily newspaper or on a widely used website or electronic portal with free national and international access along with an abridged version of the said advertisement being published in a widely circulated national daily newspaper inter-alka giving the website/electronic portal details from which the details of the invitations to bid can be downloaded, at least 30 days prior to the deadline for the submission of bids;
(ii) Extension of bid validity shall not be allowed without the prior concurrence of the Bank (i) for the first request for extension if it is longer than 3 weeks; and (ii) for all subsequent requests for extension irrespective of the period (such concurrence will be considered by Bank only in cases of Force Majeure and circumstances beyond the control of the Purchaser / Employer);	Extension of bid validity shall not be allowed with respect to Contracts subject to Bank Prior Review, without the prior concurrence of the Bank (i) for the first request for extension if it is longer than 4 weeks; and (ii) for all subsequent requests for extension irrespective of the period (such concurrence will be considered by Bank only in cases of Force Majeure and circumstances beyond the control of the Purchaser/Employer);
(iii) Re-bidding shall not be carried out without the prior concurrence of the Bank. The system of rejecting bids outside a pre-determined margin or "bracket" of prices shall not be used in the project;	Re-bidding shall not be carried out with respect to contracts subject to Bank Prior review, without the prior concurrence of the Bank. The system of rejecting bids outside a pre-determined margin or "bracket" of prices shall not be used in any contract under the project;

(Nilaya Mitash)

Joint Secretary (MI)