

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 **KSPHC** 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) Preparation of tender documentation
- 5) Arrangement for sale/ distribution of tenders
- 6) Tender opening
- 7) Preparation of comparative statement and vetting
- 8) Evaluation by tender scrutinising committee as required
- 9) Evaluation and acceptance/ rejection by the Tender Acceptance Authority
- 10) Communication of the decision to tender bulletin officer/ successful bidder
- 11) Signing of agreement with the successful bidder
- 12) Issue of work order

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.

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

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Digital Certificate (DC) – 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 – an agency selected by KSPHC through the tender process to conduct the tender for the procurement through electronic media (internet) which include uploading of the tenderers' price bid for the sake of preparation of comparative statement instantly and conducting Reverse Auction to finalise the lowest tenderer.

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 past 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.

Procurement entity – means Karnataka State Police Housing Corporation Ltd (KSPHC)

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.

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 - TAA may constitute such committee for all such procurements and works tendered for KSPHC or other departments wherever intricate input and decision is required in finalising the Contractor / Supplier to the fullest satisfaction of the Client Organisation

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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 KSPHC, the delegation of financial powers is as mentioned below. These are applicable for civil, electrical and all other works.

Delegation of Financial Powers

1. To accord administrative sanction to works

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	CMD	ED
Original works (Residential and Non Residential) Schemes or Deposit Contribution works	Full powers	Above Rs.50 lakhs and up to Rs.100 lakhs each work
Repair works ordinary and special (Residential and Non Residential) Schemes or Deposit Contribution works	Full powers	Full powers

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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	CMD	ED
Buildings & Roads works	Full powers	Above Rs.1 crore and up to Rs.2 crore each work

Estimate of repairs works:

Nature of works	CMD	ED
Ordinary and Special Repairs to buildings, residential as well as non residential	Full powers	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	CMD	ED
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	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%	Up to Rs.2 Crore 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 12%
Entrustment of piece works at rates not more than CSR with or without invitation of public tenders to the best advantage of Corporation.	Full powers	Full powers
According approval to extra or deviated items in case of works carried out on contract basis (EIRL)	Full powers	Cases, in which the amounts exceed beyond contract amount, shall be sent to CMD for approval, through ED

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Nature of works	CMD	ED
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)	Full powers	Cases where amounts exceeds beyond contract amount shall be sent to CMD for approval, through ED

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

4.1.1 Initiation of NIT

Sl. No.	Responsibility	Activity description	Time allowed for completion	D / R	D / R Reference
1	CMD, ED, CE	Administrative approval to take up the project	7 days from the date of receipt of enquiry	R	Client's enquiry

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Sl. No.	Responsibility	Activity description	Time allowed for completion	D / R	D / R Reference
2	SE (HO)	Technical sanction to estimate	7days after preparation of estimate	R	F : 17 - 1
3	FA, CAO	Expenditure Sanction	7 days from receipt of Technical Sanction Memo from SE (HO)	R	
4	SE (HO)	Fixing of Contract Period	7 days from receipt of Administrative Approval to the detailed estimate from CMD	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 (Design).	R	F : 17- 2
6	EE (Contracts)	Registration of Contractors	As and when required	R	F : 17 - 3
7	EE (Contracts) / EE (Division) / EE (PM)	Publication of NIT in a) KSPHC website b) intimation to all registered Contractors & e-Tendering service provider through e – mail 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 Processing of applications

Sl. No.	Responsibility	Activity description	Time allowed for completion	D / R	D / R Reference
1	EE (Contracts) / EE (Division)	Receipts of applications from intending tenderers with all requisite details	As indicated in NIT	R	F 17 - 4
2	EE (Contracts) / EE (Division)	Short listing of eligible tenderers and obtaining approval of eligibility from Competent Authority – CE	5 days after last date of receipt of applications	R	Details supplied by Contractors
3	EE (Contracts) / EE (Division)	Intimation to all the eligible tenderers; the list of qualified tenderers to be sent by email to e-Tendering Service Provider	As indicated in NIT Well in time	R	
4	EE (Contracts) / EE (Division)	Providing information and guidance to Call Centre operators regarding ongoing tender offers	In real time	D	
5	EE (System)	Training Call Centre operators and ensuring guidance to customer / tenderer	In real time	R	

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)	Preparation of Tender conditions and obtaining approval from CE	5 days prior to the date of issue of tender documents to eligible tenderers	R	
2	EE (Division)	Preparation of Bill of Quantities (Schedule – B)	10 days from receipt of Technical sanction Memo	R	Project Estimate

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Sl. No.	Responsibility	Activity description	Time allowed for completion	D / R	D / R Reference
3	EE (Contracts) / EE (Division)	Issue of tender documents to eligible tenderers along with the CD containing the same received from the eTendering Service Provider	As indicated in NIT	R	As approved by competent authorities
4	CMD/ED/CE/FA	Conducting pre - bid meeting whenever necessary	As indicated in NIT	R	

4.4 Receipt and opening of tenders

Sl. No.	Responsibility	Activity description	Time allowed for completion	D / R	D / R Reference
1	EE (Contracts) / EE (Division)	Receipt of tender documents through hard copies and / or through electronic form – ie., uploading of the price bid by the tenderer using the DC in the e-Tendering Service Provider's web site	As indicated in NIT	R	To be submitted by Contractors / contractors F : 17 - 5
2	EE (Contracts) / EE (Division) / Representative of Accounts section	Conducting reverse auction by the e-Tendering service provider whenever applicable and opening of closed tenders	As indicated in NIT	R	Submitted by Contractors / contractors F : 17 – 6
3	EE (Contracts) / EE (Division)	Preparation of comparative statement based on the price bid submitted online as well as hard copy	Immediately after opening of tenders	R	

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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 tenders based on online tenders submitted and Reverse Auction results	5 days from the opening of the tenders	R	F : 17 - 7
2	CE / SE Representative of Accounts section	Conducting negotiations with L1 amongst the L1 of closed bid and L1 of Reverse Auction, whenever required	Within 7 days of receipt of evaluation report	R	
3	CMD / ED/ CE/ FA	Pre-award discussions whenever required	Within 7 days of receipt of evaluation report	R	
4	CMD / ED / CE / FA	Tender acceptance	As per letter of award	R	F : 17 - 7
5	CAO / EE (Contracts) / EE (Division)	Return of DDs given towards EMD to all unsuccessful tenderers except to L1 & L2. Photo copies of DDs to be taken prior to return of DDs.	Within 2 days after submission of tender evaluation note	R	
6	EE (Contracts)	The DD of the L2 - second lowest tenderer shall be returned. DD of L1 Tenderer shall be sent to Accounts section.	Within 2 days of receipt of letter of acceptance from L1 Tenderer	R	F:17 - 8

4.6 Entering into contract

Sl. No.	Responsibility	Activity description	Time allowed for completion	D / R	D / R Reference
1	EE (Contracts) / EE (Division)	Issue of letter of Award (LoA) to the successful tenderer	Within 3 days after approval to tender by TAA	R	
2	EE (Contracts) / EE (Division)	Entering into agreement with the successful	Within 15 days from the date of	R	F : 17 - 9

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Sl. No.	Responsibility	Activity description	Time allowed for completion	D / R	D / R Reference
		tenderer	LoA		
3	EE (Contracts) / EE (Division)	Dispatch of agreement copies to the Division, technical section, finance and to the contractor.	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 agreement	R	

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 : 17 - 10

5.0 Records

Sl. No	Name of the Record	Authorizing Personnel	Custodian of record	Retention Time
1	NIT	CMD	AEE (QC)	3 years after closure of contract
2	Applications received along with the details received from Contractors	EE (Contracts) / EE (Division)	AEE (Contracts)	3 years after closure of contract
3	Contract Agreement	EE (Division)	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

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7.0 Associated Documents

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

8.0 Revisions

This document supersedes and replaces QSP 17. This document being part of the integrated management system, it is designated as IMSP 11 and the revision status is set to "0".

Approved by : Chairman and Managing Director
