

Government of India  
Directorate General of Supplies & Disposals  
(P&C Directorate)  
Jeevan Tara Building, 5, Parliament Street,  
New Delhi-110001

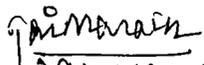
Dated the 29<sup>th</sup> June, 2015.

Subject: Deletion of Price Band.

Please find enclosed herewith a copy of Correction Slip No. 67 dated 09.06.2015 along with DOC(SD) forwarding ID Note dated 09.06.2015 and clarification on the same dated 24.06.2015 received from DoC(SD).

2. All concerned are requested to comply with the instructions contained in above Correction Slip, forwarding ID note and clarification immediately.

Encl: As above.

  
29/06/2015  
(Jai Narain)  
Deputy Director  
Phone : 2336 52 54  
45738 275

**Distribution as per Standard List**  
File No. 10099/10/2005-P&C-3/

Department of Commerce  
Supply Division  
(Policy Section)

Sub: Price band for making Counter-offers for awarding parallel Rate Contracts clarification – regarding

P&C-1, DGS&D may kindly refer to their ID Note No. P-Misc/02/2015-P&C-1 dated 08.05.2015, 11.05.2015 and 25.05.2015 pertaining to above mentioned subject.

2. The matter has been examined at this end. Accordingly, a Correction Slip No. 67 dated 09.06.2015 is attached herewith for needful.

3. It has been also decided that in all such pending cases, where bids have been opened with earlier provisions like L-1 + 10% price band and have been processed or kept on hold as no other bidders falling under this price band may be examined in terms of provisions contained in Correction Slip No. 67 dated 09.06.2015.

4. Issues with the approval of the Commerce Secretary.

Encl: As above.

*Gouri Shankar Jha*  
(Gouri Shankar Jha)  
Under Secretary to the Govt of India  
2306 2805  
9/6/15

P&C-1, DGS&D, New Delhi [Kind Attn: Shri Manish Rai Mathur, Director]  
DOC (SD) ID Note No. 1(4)/2013-Pol. dated 09.06.2015

Government of India  
Ministry of Commerce & Industry  
Department of Commerce  
(Supply Division)

Nirman Bhawan,  
New Delhi-110 011

Correction Slip No. 67

Dated: 09.06.2015

Subject: **Clarification regarding awarding of Rate Contracts (R/C).**

The following amendments are carried out in DGS&D Manual with immediate effect and in supersession of an earlier amendment made vide Correction Slip No. 54 dated 12.09.2013:-

**1. Withdrawal of earlier Correction Slip No. 54 dated 12.09.2013**

**Para 13.16.2 and Para 13.16.3 of DGS&D Manual:-**

The Correction Slip No. 54 dated 12.09.2013 is cancelled and withdrawn with immediate effect and accordingly para 13.16.2 and 13.16.3 may be read as under:-

**Para 13.16.2:** In cases, where price of L-1 is considered acceptable, its price will be counter offered to all the other higher quoting firms. Those who accept the counter offered prices or below may be awarded parallel rate contracts. However, if L-1 prices so counter offered to the higher quoting firms are not acceptable by any of the higher quoting firms, R/C will be concluded with L-1 if L-1 meets the estimated draws.

**Para 13.16.3:** Where, however, the price of L-1 is not acceptable, Purchase Directorate may in the first instance, negotiate with L-1 only for arriving at a reasonable / acceptable price. On successful conclusion of negotiations with L-1, R/C may be awarded to the L-1 at the agreed negotiated price and the same may be counter offered to all the other higher quoting firms and R/C would be concluded in the same manner as indicated in para 13.16.2.

**2. Addition of new para 13.14.3 after para 13.14.2**

**Para 13.14.3:-** In respect of items, where single bid\* has been received, the same may be retendered.

\*(i.e. if consequent to invitation of tenders/bids, only one bid/tender is received or consequent to technical evaluation if only one bid/tender is found eligible, such bids/tenders shall be termed as single bid in respect of item)

2. This will be effective *mutatis mutandis* in the DGS&D Manual, 1999 and also wherever applicable with immediate effect.

  
(Gouri Shankar Jha) 9/6/15  
Under Secretary to the Govt of India  
23062805

Standard Distribution  
F. No. 1(4)/2013-Pol.

Department of Commerce  
Supply Division  
(Policy Section)

Sub: Clarification on Correction Slip No. 67 dated 09.06.2015- reg.

Ref: DGS&D's ID Note bearing DG(S&D)'s Dy No. 1245 dated 16.06.2015 on pg. 11-13/N of file No. Misc/02/2015-P&C-1.

With regard to DGS&D proposal as at Para-8 (pg. 13/N, DGS&D's file referred above), it is clarified that during the meetings held on 17.03.2015 and subsequently on 07.05.2015, it was viewed that there was varied opinion on what number of firms should be there in reasonable price range to consider conclusion of R/C with L-1, owing to which many of their tenders got stuck up on this particular issue. As such, the intents during the meetings were to dispense with the price band, which also included reasonable price range which actually was the crux of argument in conclusion of R/C.

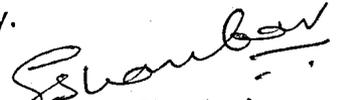
The question of restoration of original manual provision, therefore, does not arise.

2. The essence which is contained in para 13.16.2 of Correction Slip No. 67 is:-

- The price band system has been abolished hence there is no question of deciding whether a firm falls under a reasonable price range or not.
- Accordingly, after concluding R/C with L-1 whose price is considered acceptable, the same price may be counter offered to all other higher quoting firms without assessing them whether they fall under reasonable price range or not and all those firms who accept the counter offered prices or below, parallel R/C may be concluded with them to meet the estimated drawals.
- Further, if any firm, willingly on their own, desire to conclude R/C on lesser price than what is being offered to it as L-1 price; that may be considered as a welcome move on the part of the firm without considering it as any contradiction with L-1 price which becomes a reference price for that particular R/C.

3. DGS&D is therefore requested to adhere to the correction slip No. 67 dated 09.06.2015 in its words and spirit. Further, since the correction slip's provisions is effective *mutatis mutandis* in the manual; the clauses 'price band' as well as 'reasonable price range' wherever stipulated in the manual should now be read in line with the provisions as in correction slip No. 67, and accordingly be aligned in other paras viz. 13.15.6 etc.

This issues with the approval of the competent authority.

  
(Sanjoy Shankar)

Under Secretary to the Govt of India

P&C-1 Dte, DGS&D, JeevenTara Bldg, New Delhi  
DOC (SD) ID Note No. 1(4)/2013-Pol. Dated 24.06.2015

Office (4. 10. 11.)  
P&C-1  
Dy. No. 1245  
Date 16.06.2015  
File No. Misc/02/2015-P&C-1

Office of DDG (S) AKK  
Dy. No. 1245  
Date 26-6-15