



Do's and Don'ts of Public Procurement

PREPARED BY-

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Details	Threshold
Mandatory for e-procurement	INR 20 Lakhs
Threshold for Repeat Orders	Value of repeat orders shall be limited to 25% of the original contract value only if the threshold value of INR 5 crores is not exceeded
Maximum mandatory value for Spot Purchase and RFQ method	Procurement of items of maximum value INR 1 lakh for one procurement and maximum value of INR 5 lakhs in a year
Maximum threshold value for Construction Committee method	INR 50 lakhs
Maximum procurement value below which consultancy services can be procured without formal (REOI)	INR 10 lakhs
Minimum threshold value for procurement exemption	INR 10,000 or less on one occasion and less than INR 1 Lakh in a year

Thresholds

Frequently Made Mistakes-1

- Procurement of Goods and Services by non-GeM methods, despite availability in GeM
- Splitting of bids to avoid e-procurement or GeM
- INR 20 lakhs bid is floated on offline mode
- Not following SBDs
- Not following timeline for bid submission
- Not floating offline bids on SPPP

Frequently Made Mistakes-2

- Not taking processing fee while floating in e-procurement portal
- Bid validity is not extended and inspite of that contracts are awarded
- Exempting MSMEs from submission of EMD
- Taking of EMD in the form of DD / Banker's Cheque
- Allocating work to L2 when L1 withdraws their bid without forfeiting the EMD of L1 party
- QCBS method of evaluation for Goods, Works and Non-Consultancy services on AssamTenders portal

Frequently Made Mistakes-3

- Spot Purchase and Request for Quotation methods used beyond thresholds
- Using rate contracts for multiple years, by extending contract
- Failure to indicate approximate quantities in Rate Contract method
- Non-verification of PBG
- Not ensuring adequate PBG after amendment of contract price
- Not giving justification for proceeding with less than 3 technically qualified bids

Frequently Made Mistakes-4

- Using cybercafes to float bids
- Allotment of works particularly events without any competition
- Some Procuring Entities are relaxing the eligibility criteria at the time of evaluation
- Cartel in some departments, with frequent orders to the same vendor at very high rates
- Historical documents: taking CVs, CA certificates, etc. as shortfall documents
- Physical meeting with individual bidders, during the bidding process, like site visit, certificate by concerned EE, etc.

Frequently Made Mistakes-5

- Responding to bidders individually instead of putting out responses publicly.
- Not forfeiting Performance Security for poor quality
- Taking actions only when contracts are expired, and not planning before hand

Suggestions page-1

- Procurement planning is to be mandatorily done by all departments
- Newspaper advertisements not mandatory for procurements below INR 10 lakhs
- GeM procurement may not be published in newspapers
- Cancellation notices for e-procurement may not be published in the newspaper
- Bidding documents not having details of the appellate authorities
- Appellate authorities are not aware that they are appellate authorities

Suggestions page-2

- Bidders are directly using Writ Jurisdiction in Hon'ble High Court without appellate process
- Advertisement templates to be followed
- Review of bidding documents
- Uniform naming convention to be followed
- Committee to be formed before floating of bid
- Tender Accepting Authority are not to be member of committees

Suggestions page-3

- Estimate cost to always be inclusive of tax. Hence, EMD / PBG to be calculated including taxes
- Not indicating estimate before floating of bid (It should be there in the notesheet atleast)
- We may use CA certificate to verify the bid capacity in case of work contract
- Verifying UDIN certificates through online portal during technical evaluation
- FAs to mandatorily check if SBDs are followed
- Conforming to the timelines as given in the Schedule

Suggestions page-4

- Bids should be floated only from departmental computers / terminals
- Tie-breaking method should be indicated in the bidding document
- Extension cannot be given if such provision does not exist in the contract
- Negotiation should not be used in OCB, unless cartelization / extremely high financial bid
- No PBG should be taken in case of RFQ/Spot Purchase
- Not deducting LD for delayed delivery. Every payment note should include the number of days of delay (if any)

Suggestions page-5

- Re-tendering should not be done mechanically without changing the criteria / relaxing the conditions.
- No LOA to be awarded without FS
- Procurement from NICS (for non-core activities) to be discouraged
- Justification for rejecting of financial bids should be given in evaluation report
- AOC should be uploaded on e-procurement portal or SPPP based on the method of procurement
- All Sr. FA should be certified in public procurement. (MOOC portal)

Referrals to Finance Department to be avoided

- Requesting Finance Department to depute procurement experts
- Exemption from procurement on GeM
- Exemption from e-procurement portal
- Procurement of products with higher specification than that is available on GeM
- Seeking views of Finance Department for single source
- Extension of contracts – being sent to Finance Department when there is no provision of extension in the contract.

THANK YOU