CORRIGENDUM-3

SUBJECT: GUIDELINES FOR REVERSE AUCTION

REFERENCE: Document no. 9 Annexure-ACC-OT-COMM-RA TERMS

DETAIL:

Bidders may please take note that Guidelines for Reverse Auction has been revised.

Following are the major changes:

1. Start price for RA to be L1 of e-bid/ sealed envelope price bids.

2. Minimum two techno-commercially qualified bidders are required to conduct RA.

3. Wherever six or more techno-commercially qualified bidders are available, RA would be conducted amongst first 50% of the bidders arranged in the order of prices from lowest to highest. Number of bidders eligible for participating in RA would be rounded off to next higher integer value if number of techno-commercially qualified bidders is odd (e.g. if 7 bids are technically qualified, then RA will be conducted amongst lowest four bidders). However, there will be no elimination of bidders who are MSE or qualifying under PPP-MII Order, 2017.

Major excerpts of the revised Guidelines for Reverse Auction are as follows:

Clause 1.0 Scope

This document describes the guidelines to be followed for conducting Reverse Auction (RA) for procurement of material/ works/ services. These guidelines will be applicable for all purchases/ contracts to be awarded under Purchase/ Works policy and the RA shall follow the philosophy of English Reverse (No ties).

These guidelines will supersede earlier guidelines issued vide AA: SSP: RA:04 dated 04.03.2020.
Clause 8.0

Start price for RA shall be lowest of sealed envelope price bid.

Note: Wherever more than one lowest sealed envelope price bids are identical, RA committee shall declare the start price by reducing the lowest sealed envelope price bid by maximum of one decrement.

Clause 10.0 Reverse Auction Process

10.1 Reverse Auction will be conducted if two or more bidders are techno commercially qualified. However, in case of six or more qualified bidders are available, RA would be conducted amongst first 50% of the bidders arranged in the order of prices from lowest to highest. Number of bidders eligible for participating in RA would be rounded off to next higher integer value if number of qualified bidders is odd (e.g. if 7 bids are qualified, then RA will be conducted amongst lowest four bidders). However, there will be no elimination of qualified bidders who are MSE or qualifying under PPP-MII, Order 2017.

10.2 The lowest bidder in sealed envelope price bid shall be shown as current L1 automatically by the system. System shall have the provision to indicate this bid as current L1 for further bidding. This price can be displaced by an even lower bid of a competing bidder.

If the start price is lower than the lowest sealed envelope price bid (in line with clause 8.0), on acceptance of such start price by any bidder this bid would be indicated as current L1 for further bidding. However, if no bidder accepts the start price, RA shall be treated as cancelled for the respective line item(s) and the tender shall be processed accordingly. In case of no further bidding, RA will be deemed to have been successful with current L1 bidder.

During RA, all bidders will see their rank and current L1 price on the screen. Once the RA is done, the ranking status would be based on the last quoted price of the bidder(s) irrespective of the quote received in RA or sealed envelope price bid.

10.3 No bidder shall be allowed to lower its bid below the current L1 by more than 5 decrements at one go.
Clause 11.0 Processing of case after RA

11.1 Wherever the evaluation is done on total cost basis, after Reverse Auction, prices of individual line items shall be reduced on pro-rata basis.

11.2 In case of splitting requirement, bidders who were removed from participation in RA may also be considered for counter offer if the pre-stated (NIT) numbers of suppliers do not accept the counter offer.

For details and updates, you may visit our website [https://www.bhel.com/supplier-registration](https://www.bhel.com/supplier-registration).

*Above mentioned clauses are only excerpts from revised Reverse Auction Guidelines and should be read in conjunction with the guidelines in all respect. It is the responsibility of the bidder to ensure that bid be submitted in compliance with all the provisions of the guidelines.*