

## **PUNJAB STATE GRAINS PROCUREMENT CORPORATION LIMITED (PUNGRAIN)**

**Anaaj Bhawan, Sector-39 C, Chandigarh-160036**

### **IMPORTANT INSTRUCTIONS FOR BIDDERS**

1. Bids will only be submitted online on the e-Procurement portal of the Government of Punjab i.e. <https://eproc.punjab.gov.in>. Bidders who wish to participate in online tenders will have to register themselves on <https://eproc.punjab.gov.in> for which valid Digital Signature (Class II or III) are required, using which they can sign their electronic bids. Bidders can procure the same from any of the license certifying Authority of India. The online registration of the bidders on this portal is free of cost.
2. For any portal related technical queries, prospective bidders can call at 24x7 central helpdesk numbers i.e. 0120-4200462, 4001002, 4001005 and 6277787 or at local helpdesk numbers 0172-2970263, 2970284 from 9:00 AM to 5:00 PM on all government working days or reach through e-mail at [eproc@punjab.gov.in](mailto:eproc@punjab.gov.in), [support-eproc@nic.in](mailto:support-eproc@nic.in).
3. No physical submission of Technical and price / commercial bid will be entertained as it should be furnished online only. No fax, e-mail, SMS, letters or any other form of communication will be entertained for the same.
4. Bids which are not submitted in the prescribed form and/or without deposit of requisite tender fee and/ or earnest money or any other deviation from the terms and conditions of the tender notice shall be rejected out-rightly.
5. Conditional offers/ tenders shall be out rightly rejected.
6. The Technical bids shall be opened **on 22.02.2020 at 10:00 A.M.** in the Committee Room of Pungrain, Anaaj Bhawan, SECTOR 39-C, CHANDIGARH. The date and time for the financial bids will be notified online only to the Technically Eligible Bidders.
7. The tenderer is mandatorily required to submit the documents mentioned in the Terms & Conditions, along with the technical bid. The financial bid of only those bidders shall be opened, who qualify the technical bid.
8. The tenderer(s) shall be at liberty to be present, in person or through their authorized representative(s) at the time of opening of the tender as specified in the Tender. In case, authorized representatives are to be present, they must furnish the authority letter from the tenderer, on whose behalf they are representing otherwise they will not be allowed to participate in the opening of tender.
9. Any attempt direct or indirect, to cast influence, negotiation on the part of the tenderer with the officials/authority to whom he shall submit the tender or the tender accepting officials/authority before the finalization of tenders shall render the tender liable for rejection.
10. Any further communication or corrigendum/ addendum will be published on e-Tendering website only.

### IMPORTANT DATES IN CHRONOLOGICAL ORDER

1.	Date of publication of Short term tender notice inviting e- Tender in Newspapers	14.02.2020
2.	Date of availability of MTF on website	14.02.2020
4.	Tender Submission Last Date and Time	21.02.2020 upto 5:00 PM
5.	Date and time of Opening Technical Bid	22.02.2020 at 10:00 AM
6.	Date and time of Opening Price Bid	Will Be notified online to technically qualified bidders
7.	Validity of E-tender	45 Days
8.	Name and Designation of Authority Inviting E-tender	Managing Director, PUNGRAIN

**PUNJAB STATE GRAINS PROCUREMENT CORPORATION  
ANAAJ BHAWAN, SECTOR 39-C, CHANDIGARH-160036**

**TENDER FORM**

**Price: Rs.5000/- (Non-refundable)**

From

**Managing Director,  
Pungrain, Chandigarh.**

To

\_\_\_\_\_  
\_\_\_\_\_

Gentlemen/Sirs

Managing Director, Pungrain, Chandigarh invites E-Tender for the purchase of 29261 HDPE Monofilament Meshnets on behalf of all State Procuring Agencies in the State of Punjab.

**1 TERMS AND CONDITIONS:**

The terms and conditions governing the purchase are given at Annexure "A", technical specifications are at Annexure "B" attached herewith.

**2 EARNEST MONEY DEPOSIT (EMD):**

Earnest Money must be deposited as per Clause no. 2 of the tender terms & conditions.

**3 SIGNING OF TENDER:**

Tender in case of sole proprietor must be signed by the sole proprietor. In case of partnership firm, tender form must be signed by all partners or duly authorized partner(s) and in case of company/incorporate body, tender form must be signed by person duly authorized by Company/Governing Body/Entity.

**4 SUBMISSION OF TENDERS:**

The parties will submit e-tender through e-tendering website <http://eproc.punjab.gov.in>. The tender should be uploaded with all required documents along with Annexure – A', B', C', and 'D'. Tender and/or amendments submitted after scheduled date of closure of submission of the tenders will not be accepted.

**5 ACCEPTANCE OF TENDER:**

Managing Director, PUNGRAIN reserves the right to accept or reject tender(s) without assigning any reasons. Tenders must be accompanied by all annexures intact and duly signed on all pages and complete in all respects.

**6 ELIGIBILITY CRITERIA**

Eligibility criteria are as per clause no. 11 of the tender terms & conditions

Managing Director, PUNGRAIN

**TECHNICAL BID**  
(On letter head of the Bidder)

From

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

To

Managing Director,  
Punjab State Grains Procurement Corporation,  
Anaaj Bhawan,  
Sector-39 C, Chandigarh-160036.

**Subject: Offer for supply of HDPE Monofilament nets.**

Dear Sir/Mam,

Reference your tender notice that appeared in the press on 14.02.2020 for the purchase of HDPE Monofilament nets.

I/We hereby offer to supply/ sell \_\_\_\_\_(number) of HDPE Monofilament nets to Pungrain/ State procurement Agencies as per the terms and conditions of the tender (duly signed copy enclosed) and agree to abide by such conditions.

- 1) I/We hereby offer the rates for supplying/ sale of HDPE Monofilament nets as per Price Bid submitted online.
- 2) I/We agree to supply HDPE Monofilament nets as per the specifications mentioned in the terms and conditions of tender.
- 3) EMD of Rs.50,000/- for supply of \_\_\_\_\_(number) of HDPE Monofilament nets offered has been deposited online.
- 4) All documents mentioned in the terms & conditions have been uploaded with the bid.
- 5) Tender document duly signed on each page has been uploaded with the bid.
- 6) The rates quoted in price bid are inclusive of all applicable taxes/levies and including F.O.R delivery to destinations in Punjab.
- 7) I/We shall arrange my own transport for delivering the nets to the destinations specified by Pungrain/State procurement Agencies.
- 8) Acceptance of this offer by Pungrain or by any officer authorized by Pungrain shall constitute valid/legal contract between me/us and Pungrain.
- 9) The offers will remain valid for six months from the date of acceptance.
- 10) I/We hereby agree that in case I/We become successful bidder the EMD Rs.50,000/- for the total number of HDPE Monofilament nets offered, deposited by me/us will be converted into security deposit as per the terms and conditions of the tender document.
- 11) I/We further agree that in case we fail to supply the material within the stipulated period as stipulated in the supply order or do fulfill the terms and conditions of this contract, our security as whole or part thereof may be forfeited by Pungrain for which I/We shall have no objection, whatsoever, in addition to the right of Pungrain to purchase HDPE Monofilament nets from other suppliers at my/our risk and cost.

Yours sincerely,

Date:

Signature of the tenderer  
with Complete Address and Seal

**Template of documents for technical bid and check list for purchase of HDPE Monofilament nets**

<b>S.no</b>	<b>Particulars</b>	<b>Attached or not</b>
1	GST no. of the Firm/Company. (Self attested copy)	
2	PAN no of the Firm/Company. (Self attested copy)	
3	Proof of UTR number and date of Earnest Money Deposited online	
4	Affidavit that Firm/ Company is not blacklisted by any institution/Govt. or Semi-Govt/Corporation or are not under litigation on account of quality test failure with any of the state govt./ Central Govt.(Annexure C)	
5	Audited balance sheet or C.A. certificate regarding proof of turnover of Rs.10 lakh from HDPE Monofilament nets in the two financial years out of the last three immediately preceding Financial Years i.e.. 2016-17, 2017-18 and 2018-19	
6	Complete address with PIN & Mobile No.	
7	Certificate regarding Successful execution of orders/Completion certificate.	
8	Valid license for manufacturing nets from Industry Department	
9	Certified copy of the Partnership deed of the firm, in case of partnership firm and Certificate of Incorporation and MoA in case of Company.	
10	Quantity offered	

Note: 1. The Financial Bid of only those parties will be opened whose technical bids are found conforming to tender terms and conditions.

2. The documents should be uploaded in the sequence stated above.

Signature of Tendered with rubber stamp

**PUNJAB STATE GRAINS PROCUREMENT CORPORATION  
ANAAJ BHAWAN , SECTOR 39-C, CHANDIGARH-160036**

**ANNEXURE-"A"**

**TERMS AND CONDITIONS FOR THE SUPPLY OF MESH NETS**

**1. SCOPE**

On behalf of all the State Procurement Agencies in the State of Punjab, MD PUNGRAIN (Punjab State Grains Procurement Corporation) Anaaj Bhawan, Sector-39 C, Chandigarh-160036 invites e-tenders for the purchase of 29261 HDPE Monofilament nets.

**2. EARNEST MONEY**

The Tenderer shall have to deposit an amount of Rs 50000/- (Fifty thousand only) as EMD which shall be paid online through payment gateway of e-tender portal. Tenders not accompanying the earnest money will be summarily rejected.

The bids shall remain open and valid for acceptance up to 45 days from the date of opening of technical bid. The EMD of the bidder(s) not keeping the offer open for the prescribed period shall be forfeited, without prejudice to any other rights and remedies of PUNGRAIN against the bidder.

The earnest money shall be liable to forfeiture if the bidder after submitting his tender, resiles from his offer and/or modifies the terms and conditions thereof in any manner or submits conditional tenders.

The Earnest Money is also liable to be forfeited in the event of the tenderer's failure to furnish the requisite Security Deposit by the due date after the acceptance of his E-Tender, without prejudice to any other rights or remedies available to the Pungrain under the contract /law.

The EMD of unsuccessful tenderers shall be returned within 30 days of the final decision of the tender. The EMD of Successful tenderer shall be adjusted in/converted to Security Deposit. No interest shall be payable on the amount of earnest money in any case.

**3. SECURITY DEPOSIT**

The successful tenderer shall have to furnish a total security deposit amounting to Rs. 1,00,000/- (Rupees One lakh only). The Earnest Money deposited by the tenderer at the time of submission of the E-Tender will be converted into Security Deposit and the remaining Rs 50,000/- will be deposited in form of bank draft of any scheduled bank payable at Chandigarh or by RTGS/NEFT in favor of Managing Director, PUNGRAIN within seven working days of the receipt of acceptance of his offer. If the party fails to deposit the security within the stipulated time, PUNGRAIN in its absolute discretion will have right to cancel the order, forfeit the EMD and recover the losses from the party. PUNGRAIN will not be liable to pay any interest on the security deposit till the same is released.

**4. RATE OF THE NETS**

The rate per each mesh net (inclusive of loading, packing, forwarding, GST and other taxes etc.) shall be quoted including F.O.R. for delivery to destinations of State Procuring Agencies in various districts in the State of Punjab, which will be borne by the tenderer.

**5. DELIVERY PERIOD**

The delivery of mesh nets as per time schedule is the essence of the supply order. Delivery is to be completed within 50 days at FOR destinations at Punjab from the date of placement of

order and an extension of 10 days will be permissible with 2% LD charges only. However, Managing Director, PUNGRAIN reserves the right to extend the validity of supply order(s) for 10 days in case of natural calamities like heavy rains, floods, etc. OR if he/she is satisfied that the reasons for delay were beyond the control of supplier without LD charges. Any further extension, if any, will be allowed at the discretion of MD Pungrain for a maximum of 10 days only and that too with 4% L.D. charges. Risk purchase at the cost of supplier will be made by the PUNGRAIN/ State agency in case the supply is not made as per the time schedule or laid down specifications and terms and conditions. The difference of such cost thus incurred will be recovered from the supplier from the security deposit and, if need be, by taking legal recourse as well.

6. **INSPECTION**

The material shall be inspected by the representative(s) of PUNGRAIN/concerned agency at the premises of the suppliers/ manufacturers/ tenderers within seven to ten days after the receipt of Inspection offer. Two joint samples will be drawn from each batch of 1000 nets representing one lot. The inspection team will seal and mark each pack of mesh nets, batch-wise immediately after drawing the samples with their agency seals etc. One sample will be sent for testing against each 1000 nets and the same will be got analyzed /tested from any ISI/BIS/NABL certified laboratory at the cost of the suppliers/ manufacturers/ tenderers and the other sample shall be kept in record of PUNGRAIN/concerned agency. In case any sample is found below specifications, other lot will be accepted for inspection in lieu of the lot found below specifications, if it is offered within time schedule of the supply order. The cost of the sample material and scaling etc. will be borne by the suppliers/ tenderers.

7. **PAYMENT**

Each agency shall make payment for the supply of nets directly to the concerned suppliers on its own. No advance payment will be made. 80% payment will be made by the PUNGRAIN Head office/concerned agency on the presentation of bill/inspection report and despatch documents i.e. GR/RR alongwith the certificate of District Manager, PUNGRAIN/Concerned agency that material has been received by him in sound and satisfactory condition. 20% balance payment will be released by PUNGRAIN/concerned agency on getting successful test report from designated laboratory.

8. **RISK PURCHASE**

In case, the supplier fails to complete the supply of the order within the specified period, their security in whole or part is liable to be forfeited. PUNGRAIN shall also have the option to purchase material from other sources of its choice at the risk and cost responsibility of defaulting suppliers besides taking other legal measures against such suppliers.

9. **VALIDITY OF THE OFFER**

The offer shall remain valid for a period of six months from the date of acceptance of the same. The tendered quantity may increase or decrease at the time of placing of order or during pendency of the contract as per the requirement of Pungrain/concerned agency. PUNGRAIN reserves the right to place order on the suppliers for any quantity, required within six months from the date of acceptance of offer, at same rate, terms and conditions. However before placing additional order PUNGRAIN will take into account any order approved by other Punjab Govt. agency and in case rate/price by other agency is found lower than PUNGRAIN, then lower accepted rate of the agency will apply in PUNGRAIN as well.

10. **RELEASE OF SECURITY**

Security deposit shall be released after six months of satisfactory completion of entire supplies/ discharge of all obligations by the supplier under the contract. In case any defect is found in the material on its receipt at destinations, same shall become the responsibility of the suppliers and the amount of loss, if any, will be deducted from its security. In case of failure of samples to the extent of 25% even in one test or more of quantity supplied, the suppliers

will be blacklisted and debarred from participation in future tenders for a minimum period of three years besides imposition of penalty, as decided by MD Pungrain.

11. **ELIGIBILITY**

- a) The tenderer should be registered manufacturer of HDPE monofilament nets and should have valid license for manufacturing HDPE monofilament nets from Industry Department
- b) Tenderer should have minimum turnover of Rs. 10 lakh each in two financial years out of immediately preceding three financial years, i.e. 2016-17, 2017-18 and 2018-19, from HDPE monofilament nets supplied to centre/State agencies. For the proof of the same, tenderer should enclose copy of Audited balance sheet certified by a Chartered Accountant (CA) or C.A. Certificate for the corresponding period.
- c) Tenderer should furnish details of orders of mesh nets supplied to different agencies during each of the two financial years out of the last three years along with certificate regarding successful completion of the supply orders as per Annexure D of the tender.
- d) The Tenderer or any of its partners/directors/members should neither have been black listed by any Central/State Govt./Semi Govt./Cooperative Ministry, Department, Organization, Institution, PSU/Board/Corporation nor under litigation on account of quality test failure with any of the Central/State Govt. Department/Public Sector Undertaking/Board/Corporation. An affidavit for same should be given duly attested by Magistrate/Notary as per ANNEXURE C.
- e) The Tenderer must possess and submit a valid PAN and GSTIN to Pungrain.
- f) He/She should be citizen of India and not less than 18 years of age, if tender is submitted as an individual/proprietor.

**Note: I. As per notification No.COS/Start-ups/2019/11288 dated 16-08-2019 of Department of Industries and Commerce, Punjab (Please refer Annexure E), the entity registered as start-up in Punjab as per chapter 16.1 of Detailed scheme & operational guidelines, 2018 of Industrial and Business Development policy 2017, is exempted from experience and turnover as qualifying requirements for participating in tender for purchase of HDPE monofilament nets required by State procurement agencies of Punjab. However, this is subject to the condition that the startup meets the other quality and technical specifications as part of the qualifying requirements of the procurement of HDPE monofilament nets. Also, as per clause 4 of the order No. COS/PPO-2019/11726 dated 03.09.2019 of Department of Industries and Commerce, Punjab, startup must have minimum 40% of local content and will abide by clause 8 of the said order for verification of local content.”(Please refer Annexure F)**

**II. Purchase preference shall be given to local suppliers subject to the provisions of Public Procurement (Preference to Make in Punjab) Order 2019 as notified by Department Of Industries And Commerce (Controller of Stores), Govt. Of Punjab vide order dated 03.09.2019. (Please refer Annexure F)**

12. **MISCELLANEOUS**

- a) Conditional tender or tender without requisite EMD will be rejected straightway. No claims of increase in the excise duty, granules, transportation or any such levies during the concurrence will be entertained from supplier what so ever may be the case.
- b) PUNGRAIN will have the right to forfeit the earnest money and security in whole or in part in addition to claiming damages, if any if the terms and conditions of supply order are not complied with and will have the right to seek any other legal remedy(ies) also.
- c) PUNGRAIN has the right to place order to one supplier or distribute it to more than one supplier at L-1 rate. In case the required quantity cannot be supplied by L-1 party (ies), then L-2 will be called to match the L1 rate and so on till the requirement of entire quantity is met.



- d) PUNGRAIN will have the right to issue supply order in phased manner to any one or more tenderers whose tenders are accepted.
- e) The rates quoted will be inclusive of GST and all levies including F.O.R delivery to destinations in Punjab.
- f) Acceptance of tender by PUNGRAIN as per terms and conditions shall constitute a valid and legal contract between registered/reputed suppliers and buyers, no execution of the separate contract agreement/ deed would be necessary.
- g) In all disputes arising out of the provision of the contract, the matter shall be referred for Arbitration to the Managing Director PUNGRAIN or his/her, authorized nominee whose decision shall be binding on both the parts. Arbitration proceeding shall take place at Chandigarh only.
- i) All the disputes shall be subject to jurisdiction of Courts at Chandigarh (UT) alone.
- j) The offers will remain valid for six months from the date of acceptance.
- k) The acceptance of tender by PUNGRAIN as per terms and conditions shall constitute a valid and legal contract between the buyer and supplier(s). No execution of separate deed would be necessary.
- l) The Managing Director of PUNGRAIN reserves the right to accept or reject any of the tender/tenders without assigning any reason.

Managing Director , Pungrain

**SPECIFICATION FOR THE SUPPLY OF MONOFILAMENT TWINE SQUARE MESH  
NETS CAP STORAGE NETS**

1. **Description of Stores :**

Monofilament twine square mesh nets of minimum size 36' x 25' with 9" x 9" square mesh (minimum number 48 on length side and 33 on width size subject a maximum tolerance of + 0.25 inch) made from virgin high density polythene monofilament extrusion grade and not reprocessed. Each net shall be provided with 14 tie ropes (5 each in length side and 2 each on breadth side) The twine used for fabrication of nets should confirm to ISI specifications. Weight of each mesh nets should be 3.4 kg with a relaxation of 10% weight on either side.

2. **SPECIFICATIONS :**

- i) **Material :**The raw material for making twines and ropes shall be Virgin High Density Polythene Monofilament Extrusion grade and not reprocessed.
- ii) **Colour:** Black in colour achieved by adding 0.1% carbon black.
- (iii) **Mesh:**
  - a) shall be square and not rhombus.
  - b) Border meshes shall have 2 to 3 selvage ends.
- (iv) **Knots:** The knots of the square shall not slip subject to tolerance of + 0.25 inch.
- (v) **Nets:**
  - a) shall be knitted by minimum 2 mm diameter twine as per specifications having continuous length and not joints.
  - b) shall not curve in after stretching.
- (vi) **Border:** The nets shall be bordered by continuous length of minimum 6 mm diameter ropes.
- (vii) **Lacing:** The border shall be laced with minimum 2 mm diameter twine to sustain load shift.
- (viii) **The ropes:**
  - a) Mesh nets shall have 14 tie ropes of minimum 6 mm diameter thickness 5 each on length side and 2 each on the breadth side.
  - b) Each tie rope shall be at equal distance for equal load distribution. The last rope on each length side shall at the corners.
  - c) Each tie rope shall be 15 ft. in continuous length.
  - d) One end shall be heat sealed and the cover end shall have firm plash. The plashed end shall be very firmly attached to the border of the net and should not shift from its position.
  - e) Natural colour indicators shall be provided on the four corners of the net to locate to the corner easily.

3. **REQUIREMENT OF TWINE AND ROPE :**

- a) Suitable chemical i.e. ultraviolet stablizer 0.1% to 0.2% plus 0.1% carbon black should be added while making twine and ropes to protect them fully from the light degradation and should be stablised for heat also.
- b) Twine and ropes shall be steam treated and soft laid with the following breaking strength :

	Tolerance Limit	Rejection Limit
1.	2 mm Twine 35 Kg. Minimum	30 Kg.
2.	6 mm 119 Kg. Minimum	100 Kg.

Quality Cut : Rs. 12/- per net or part there of shall be applied on such rope/twine of 2 mm and 6 mm which are found below Tolerance limit, being major test. In case of failure of any other test or fraction of test the penalty shall be limited upto Rs. 4/- per net (per Test).

3. The supplier shall give a guarantee that the twine/ropes conform to the above mentioned specifications and in case it is found that the same do not conform to the specification at any stage on testing by designated laboratory, the nets prepared and delivered shall be rejected and losses recovered as per the terms and conditions of the tender. PUNGRAIN shall also have the right to get nets replaced in such an event, at the risk/cost of the supplier.

**ANNEXURE C**

(Specimen of the Affidavit for non-blacklisting of the Firm)

**AFFIDAVIT**

**(To be attested by Notary/ Magistrate)**

I,....., s/o Sh.....,R/o.....do hereby solemnly affirm and declare as under:

1. That I am the sole Proprietor/ authorized partner/ signatory of M/s.....
2. That my firm offers to supply mesh nets to Pungrain/ State procuring agency against tender notice that appeared in the press on 14-02-2020 for the purchase of HDPE monofilament meshnets.
3. That neither my firm/Company/Society nor any of the proprietor/partner/ Directors/members has ever been blacklisted by any Central/State Govt./Semi Govt./Cooperative Ministry, Department, Organization, Institution, PSU/Board/Corporation or are under litigation on account of quality test failure with any of the State Govt./Central Govt./Undertakings.
4. That my firm/Society/Company shall abide by the Terms & Conditions of the tender as laid down by the PUNGRAIN from time to time.

Deponent

**Verification:**

Verified that the contents of my above affidavit are true and correct to the best of my knowledge and belief and nothing has been concealed therein.

Dated:.....

Deponent

**ANNEXURE D**

S. No	Name of Buyer	Date of order	Quantity of HDPE Monofilament nets supplied	Value of order (in Rs.)	Copy of certificate from buyer regarding successful completion of order clearly mentioning the number of nets, to be attached

Signature of Tendered with rubber stamp



# Punjab Government Gazette

## EXTRAORDINARY

*Published by Authority*

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CHANDIGARH, MONDAY, AUGUST 19, 2019 (SRAVANA 28, 1941 SAKA)

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### GOVERNMENT OF PUNJAB

DEPARTMENT OF INDUSTRIES AND COMMERCE

(Controller of Stores)

#### NOTIFICATION

The 16th August, 2019

**No.COS/Start-ups/2019/11288.-**

**Subject: Relaxations of Norms in Public Procurement for Start-ups based in Punjab.**

In order to build a strong Ecosystem for nurturing innovation and Start ups in the State, by providing opportunity to Start ups to scale up and to allow them to compete with experienced entrepreneurs and companies in public procurement by relaxing the norms for public procurement for them, the following relaxations will be provided to eligible Start ups of the State, subject to the condition that the Start ups meet the other quality and technical specifications as part of qualifying requirements of the procurements:

#### 1. Eligibility of start ups for the relaxations

1. The entity should be registered as a Startup as per chapter 16.1 of Detailed Scheme & Operational Guidelines, 2018 of Industrial and Business Development Policy 2017, issued by Department of Industries & Commerce, Government of Punjab.
2. Registered start ups will submit the self attested copy of the registration to the procuring agency in order to avail the relaxations.
3. Registered Start ups should directly participate in tender and not through any intermediaries (their dealers/agents/distributors), and will not subcontract to any other firm and carry out the entire manufacturing/work/services at their enterprise.

#### 2. Relaxations of Norms for Start ups in the State in Public Procurement.

Sr. No.	Qualifying requirements	Relaxations allowed to Startups
1.	Experience	Exemption in respect of past experience as part of the qualifying requirements of the tender.

- 
- |             |   |
|-------------|---|
| 2. Turnover | Exemption in respect of past turnover as part of the qualifying requirements of the tender. |
|-------------|---|
- 
- |                         |   |
|-------------------------|---|
| 3. Purchase Preferences | Startups will also be eligible for purchase preferences accruing to all Industries in the State in the Public Procurement (Preference to Make in Punjab) Order, 2019. |
|-------------------------|---|
- 

This issues with the concurrence of Finance Department conveyed vide their I.D. No. 2/29/19-4FE5/692 of dated: 24.05.2019.

The above instructions may be brought to the notice of all concerned and shall be applicable to all the tenders floated/ invited after issue of these instructions.

The 8th August, 2019

**VINI MAHAJAN, IAS**  
Additional Chief Secretary to Govt of Punjab,  
Department of Industries and Commerce.



# Punjab Government Gazette

## EXTRAORDINARY

*Published by Authority*

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CHANDIGARH, WEDNESDAY, SEPTEMBER 4, 2019 (BHADRA 13, 1941 SAKA)

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### GOVERNMENT OF PUNJAB

DEPARTMENT OF INDUSTRIES AND COMMERCE

(Controller of Stores)

#### **ORDER**

The 3rd September, 2019

**No.COS/PPO-2019/ 11726.- Subject: Public Procurement (Preference to Make in Punjab) Order 2019.**

The Governor of Punjab is, hereby, pleased to accord Approval to Public Procurement (Preference to Make in Punjab) Order 2019. This will give a fillip to the manufacturing sector in Punjab through incentivizing local value addition, by providing them a purchase preference in public procurement done by the state Govt. departments and its agencies.

Whereas, it is the policy of the Government of Punjab to promote manufacturing and production of goods in Punjab with a view to enhance income and employment generation, and whereas, procurement by the Government is substantial in amount and can contribute towards this policy objective.

Therefore, the following order is issued with regard to procurement of goods by procuring entities. It is clarified that this order does not apply to procurement of services and works contracts:-

**1. Definitions:** For the purposes of this order:

**Local content** means the amount of value added in Punjab which shall be the total value of the item procured minus the value addition to the item outside the state of Punjab (excluding taxes), as a proportion of the total value, in percent.

**Local supplier** means a supplier whose product offered for procurement meets the minimum local content as prescribed under this order or by competent Departments in pursuance of this order.

**L-1** means the lowest tender or lowest bid or lowest quotation received in a tender, bidding process or other procurement solicitation as adjudged in the evaluation process as per the tender or other procurement solicitation.



**Margin of purchase preference** means the maximum extent to which the price quoted by a local supplier may be above the L-1 for the purpose of purchase preference.

**Procuring entity** means a department or subordinate office, autonomous body, boards, corporations owned or controlled by the Government of Punjab, and includes the urban local bodies and PRIs in the state.

**Works Contract** means a contract as defined u/s 65 of Finance Act.

**Divisible goods** mean goods which can be broken up into smaller units for procurement.

**2. Requirement of Purchase Preference:** Subject to the provisions of this order, purchase preference shall be given to local suppliers in all procurements undertaken by procuring entities controlled by the Government of Punjab in the manner specified hereunder.

- a) In procurement of goods where there is sufficient local capacity and local competition so that there are at least six local manufacturers/suppliers eligible as per the tender conditions as identified by concerned department and where the estimated value of procurement is Rs. 30 lakhs or less only local suppliers shall be eligible.
- b) In the procurements of goods which are not covered by paragraph (a) i.e. estimated value of procurement is more than 30 lakhs or there is not sufficient local capacity present and in case of goods which are **divisible** in nature, the following procedure shall be followed.
  - i. Among all qualified bids, the lowest bid will be termed as L1. If L1 is from a local supplier/manufacturer, the contract for full quantity will be awarded to L1 (subject to capacity).
  - ii. If L1 bid is not from a local supplier, 50% (subject to capacity) of the order quantity shall be awarded to L1. Thereafter, the lowest bidder among the local suppliers will be invited to match the L1 price for the remaining 50% quantity subject to the local suppliers quoted price falling within the prescribed margin of purchase preference and contract for that quantity shall be awarded to such local supplier subject to matching the L1 price. In case such lowest eligible local supplier fails to match the L1 price or accepts less than the offered quantity the next higher local supplier/manufacturer within the margin of purchase preference shall be invited to match the L1 price for remaining quantity and so on. And contract shall be awarded accordingly. In case some quantity is still left uncovered on local suppliers, then such balance quantity may also be ordered on the L1 bidder.
- c) In procurements of goods not covered by sub-paragraph (a) and which are **not divisible** and where the bid is evaluated on price alone the following procedure shall be followed:
  - i. Among all qualified bids, the lowest bid will be termed as L1. If L1 is from a local supplier, the contract will be awarded to L1.
  - ii. If L1 is not from a local supplier, the lowest bidder among the local suppliers will be invited to match the L1 price subject to local supplier's quoted price falling within the margin of purchase preference and the contract shall be awarded to such local supplier subject to matching the L1 price.
  - iii. In case such lowest eligible local supplier fails to match the L1 price, the local supplier with the next higher bid within the margin of purchase preference shall be invited to match the L1 price and so on and contract shall be awarded accordingly. In case none of the local suppliers within the margin of purchase preference matches the L1 price then the contract may be awarded to the L1 bidder.

**3. Exemption of small purchases:** Notwithstanding anything contained in paragraph 3, procurements where the estimated value to be procured is less than Rs. 1 lakh shall be exempt from this Order. However, it shall be ensured by procuring entities that procurement is not spilt for the purpose of avoiding the provisions of this Order.

**4. Minimum local content:** The minimum local content shall ordinarily be 40%. The concerned department may prescribe a higher or lower percentage in respect of any particular item and may also prescribe the manner of calculation of local content.

**5. Prescribed Margin of Purchase Preference:** The prescribed margin of purchase preference shall be 15%.

**6. Requirement for specification in advance:** The minimum local content, the prescribed margin of purchase preference and the procedure for preference shall be specified in the notice inviting tenders or other form of procurement solicitation and shall not be varied during a particular procurement transaction.

**7. Exemption:** Concerned Departments should enlist the items which are to be exempted from this order within three months from date of issuance of this order and this list should be sent to Member Secretary, Standing Committee.

**8. Verification of local content:**

- a. The local manufacturer/supplier at the time of tender, bidding or solicitation shall be required to provide self-certification that the item offered meets the minimum local content and shall give details of the location(s) at which the local value addition is made.
- b. In case of procurement for a value in excess of Rs. 2crores, the local manufacturer/supplier shall be required to provide a certificate from the statutory auditor or cost auditor of the company (in the case of companies) or from a practicing cost accountant or practicing chartered accountant (in respect of suppliers other than companies) giving the percentage of local content.
- c. Every local manufacturer/supplier shall be required to give a certificate detailing the local content in his product. This list shall be put in public domain and 7 working days shall be provided for filing any claim/objection regarding the genuineness of this certificate. If no claim/objection is received within the prescribed period, the local content certificate shall be deemed to be correct.
- d. Concerned Department may constitute committees with internal and external experts for independent verification of self-declarations and auditor's/accountant's certificates on random basis and in the case of complaints. For this purpose, the concerned department may seek help from Controller of Stores.
- e. Any claim/objection regarding the genuineness of certificate of local content shall be filed by the complainant on an affidavit of Rs.25.
- f. False declarations under Para(8a) and (8b)will lead to debarment and blacklisting of such suppliers for two years by the procuring entities.
- g. A supplier who has been debarred by any procuring entity for violation of this Order shall not be eligible for preference under this order for procurement by any other procuring entity for the duration of the debarment. The list of such debarred suppliers under this Order by any procuring entity shall be sent to O/o Controller of Stores, Punjab, and consolidated list of debarred and blacklisted suppliers shall be circulated to all other Govt. Departments.

- h. A Committee under Chairmanship of Controller of Stores, is constituted with following members :
- I. Finance department nominee: -Member
  - II. Excise and Taxation Commissioner or his nominee: - Member
  - III. Controller, Printing & stationary : - Member
  - IV. Additional Controller, Controller of Stores: - Member Secretary
  - V. Director, Department of Governance Reforms or his nominee: -Member

This Committee will look into all the issues related to debarment:

- (i) The fact and duration of debarment for violation of this Order by any procuring entity shall be promptly brought to the notice of this Committee through the concerned Department or in some other manner.
- (ii) On a periodical basis such cases will be consolidated and a centralized list or decentralized list of such suppliers with the period of debarment will be maintained with this Committee.
- (iii) In respect of procuring entities other than the one which has carried out the debarment, the debarment shall take effect prospectively, from the date of debarment order issued, in such a manner that ongoing procurements are not disrupted.
- (iv) All disputes related to debarment by procuring entities shall be considered by this committee.

**9. Specifications in Tender and other procurement solicitations:**

- a. Procuring entities shall endeavour to see that eligibility conditions, including on matters like turnover, production capability and financial strength do not result in unreasonable exclusion of local suppliers who would otherwise be eligible, beyond what is essential for ensuring quality or creditworthiness of the supplier.
- b. Procuring entities shall within 3 months of the issue of this policy review all existing eligibility norms and conditions with reference to paragraph 'a' above.

**10. Assessment of supply base by Departments:** The Concerned Department shall keep in view the domestic manufacturing/supply base and assess the available capacity and the extent of local competition while identifying items and prescribing minimum local content or the manner of its calculation, with a view to avoid cost from the operation of the Order.

**11. Standing Committee:** A Standing Committee is hereby constituted with the following membership:

- 1) Administrative Secretary, Department of Industries and Commerce - Chairperson
- 2) Administrative Secretary, Department of Finance - Member
- 3) Administrative Secretary, Department of Health and Family Welfare - Member
- 4) Administrative Secretary, Department of Public Works - Member
- 5) Administrative Secretary, Department of School Education - Member
- 6) Administrative Secretary, Department of Water Supply and Sanitation - Member
- 7) Administrative Secretary, Department of Local Government - Member
- 8) Administrative Secretary, Department of Rural Development and Panchayat - Member
- 9) Director, Industries and Commerce - Member Secretary

The Secretary of the department concerned with a particular item shall be a Member in respect of issues relating to such item. The Chairman of the Committee may co-opt technical experts as relevant to any issue or class of issues under its consideration.

**12. Functions of the Standing Committee:** The Standing Committee shall meet as often as necessary as but not less than once in six months. The Committee

- a. shall oversee the implementation of this order and issues arising there from and make recommendations to the procuring entities.
- b. shall annually assess and periodically monitor compliance of this Order.
- c. may require furnishing of details or returns regarding compliance of this Order and related matters.
- d. may during annual review, or otherwise, assess issues if any, where it is felt that the manner of implementation of the order results in any restrictive practices, cartelization or increase in public expenditure and suggest remedial measures.
- e. may consider any other issue relating to this Order which may arise.
- f. shall take decisions on all complaints relating to implementation of this order.
- g. May exempt any particular item or procuring or supplying entities or class or classes of items or procuring or supplying entities from the operation of this policy or any part of the Order.

**13. Removal of difficulties:** Any difficulty arising in the implementation of this Order by any procuring entity shall be referred by them to the Department of Industries and Commerce, Punjab, which shall issue such clarification or instructions as may be necessary for removal of these difficulties.

**14. Departments having existing policies:** Wherever any Department has its own policy for preference to local content, this Order shall prevail over the provisions of such existing policies.

**15. Transitional provision:** This Order shall not apply to any tender or procurement for which notice inviting tender or other form of procurement solicitation has been issued before the issue of this Order.

This Order issues with the approval of the Council of Ministers, Government of Punjab conveyed vide letter No.1/90/2019-1cabinet/ 2557 dated: 25.07.2019.

The 9th August, 2019

**VINI MAHAJAN, IAS**  
Additional Chief Secretary to Govt. of Punjab,  
Department of Industries and Commerce.