

From: C.Venkat Rao <cvr@bhel.in>
Sent: 10 March 2021 12:48
To: rakesh.singh@bhel.in; 'vagrawal'; 'mohan'; 'prawat'; 'rbabu'; 'ajaysharma'; pravi@bhel.in; 'prchiwarkar'; 'ev'; asim.mishra@bhel.in; 'bsandipan'; 'atul pandey'; 'avnaga'; 'mandvi'; 'kumarrakesh'; 'ashuani'; 'rksaxena'; 'minocha'; 'nalini'; 'Amit Shrivastav, Addl GM/MKT_MM/CFFP'; 'Ajay Jain, Dy GM/CMM/PS-PEM'; 'ARUN KUMAR-HEEP'; 'rprabha'; 'dvkrds'; 'sunilhaldia'; rlnagar@bhel.in; 'patelsm'; S Chandrashekar(Addl GM/CS,MM,Comml,Insulator & Ceralin/CS140000/FSIP)
Cc: prr@bhel.in; sgulati@bhel.in; jps@bhel.in; btalwar@bhel.in; ratnanav@bhel.in; akjain1@bhel.in; csdeolika@bhel.in; anandac@bhel.in; ksm@bhel.in; amitkerketta@bhel.in; snair@bhel.in; gs@bhel.in; pjreddy@bhel.in; shakil@bhel.in; kaushika@bhel.in; ganesh.k@bhel.in; aniljoshi@bhel.in; pgupta@bhel.in; r_singh@bhel.in; tsmurali@bhel.in; tlal@bhel.in; rt1@bhel.in; ykrajesh@bhel.in; sanju@bhel.in; satyan@bhel.in; sameer@bhel.in; rajeeva@bhel.in; bani@bhel.in; 'A B Gupta, Genl Manager/COM/CO'; sk.agarwal@bhel.in; 'Rakesh Kumar Chokhani, General Manager/HPVP_OPS/HPVP'; vkchugh@bhel.in; 'Vasav Mahajan, Dy Manager/COM-SS&P/CO'; ashwanisahu@bhel.in; 'R Padmanabhan(Executive Director/ER&D/CO); meshram@bhel.in; rsharma@bhel.in; 'Pravin Chandra Jha(Genl Manager/VIG/CO)'
Subject: Guidelines for Reverse Auction - 2021 amdt01- Circular No. 45 of 2020-21
Attachments: Guidelines for Reverse Auction - 2021 amdt01 - Circular no. 45 of 2020-21.pdf

(Circular No. 45 of 2020-21)

Sub: Guidelines for Reverse Auction – 2021

Pursuant to the issue of Circular no. 44 of 2020-21 dated 08.03.2021 on Guidelines for Reverse Auction - 2021, following is to be noted with respect to clause 10.1:

1. In case of two or three techno-commercially qualified bidders, there shall be no elimination of H1 bidder (whose quote is highest in sealed envelope price bid).
2. In case of four qualified bidders, H1 bidder to be eliminated whereas in case of five qualified bidders, H1 and H2 bidders are to be eliminated.

Accordingly, Clause 10.1 of Guidelines for Reverse Auction - 2021 has been amended and the document is enclosed along with the Circular.

Thanks and Regards,

*C Venkat Rao
GM / S S & P
Corporate Office, BHEL,
New Delhi*

From: C.Venkat Rao [<mailto:cvr@bhel.in>]

Sent: 08 March 2021 21:01

To: rakesh.singh@bhel.in; 'vagrawal' <vagrawal@bhel.in>; 'mohan' <mohan.k@bhel.in>; 'prawat' <prawat@bhel.in>; 'rbabu' <rbabu@bhel.in>; 'ajaysharma' <ajaysharma@bhel.in>; pravi@bhel.in; 'prchiwarkar' <prchiwarkar@bhel.in>; 'ev' <ev@bhel.in>; asim.mishra@bhel.in; 'bsandipan' <bsandipan@bhel.in>; 'atul pandey' <atul.pandey@bhel.in>; 'avnaga' <avnaga@bhel.in>; 'mandvi' <mandvi@bhel.in>; 'kumarrakesh'

<kumarrakesh@bhel.in>; 'ashuani' <ashuani@bhel.in>; 'rksaxena' <rksaxena@bhel.in>; 'minocha' <minocha@bhel.in>; 'nalini' <nalini@bhel.in>; 'Amit Shrivastav, Addl GM/MKT_MM/CFFP' <amit.shrivastav@bhel.in>; 'Ajay Jain, Dy GM/CMM/PS-PEM' <ajayjain@bhel.in>; 'ARUN KUMAR-HEEP' <arn@bhel.in>; 'rprabha' <rprabha@bhel.in>; 'dvkrds' <dvkrds@bhel.in>; 'sunilhaldia' <sunilhaldia@bhel.in>; 'rlnagar@bhel.in'; 'patelsm' <patelsm@bhel.in>; S Chandrashekar(Addl GM/CS,MM,CommI,Insulator & Ceralin/CS140000/FSIP) <sshekhhar1@bhel.in>

Cc: prr@bhel.in; sgulati@bhel.in; jps@bhel.in; btalwar@bhel.in; ratnanav@bhel.in; akjain1@bhel.in; csdeollikar@bhel.in; anandac@bhel.in; ksm@bhel.in; amitkerketta@bhel.in; snair@bhel.in; gs@bhel.in; pjreddy@bhel.in; shakil@bhel.in; kaushika@bhel.in; ganesh.k@bhel.in; aniljoshi@bhel.in; pgupta@bhel.in; r_singh@bhel.in; tsmurali@bhel.in; tlal@bhel.in; rt1@bhel.in; ykrajesh@bhel.in; sanju@bhel.in; satyan@bhel.in; sameer@bhel.in; rajeeva@bhel.in; bani@bhel.in; 'A B Gupta, Genl Manager/COM/CO' <abgupta@bhel.in>; sk.agarwal@bhel.in; 'Rakesh Kumar Chokhani, General Manager/HPVP_OPS/HPVP' <chokhani@bhel.in>; vkchugh@bhel.in; 'Vasav Mahajan, Dy Manager/COM-SS&P/CO' <vasav@bhel.in>; ashwanisahu@bhel.in; 'R Padmanabhan(Executive Director/ER&D/CO)' <rpadminabhan@bhel.in>; meshram@bhel.in; rsharma@bhel.in; 'Pravin Chandra Jha(Genl Manager/VIG/CO)' <pcjha@bhel.in>

Subject: Guidelines for Reverse Auction - 2021 - Circular No. 44 of 2020-21

(Circular No. 44 of 2020-21)

Sub : Guidelines for Reverse Auction – 2021

Guidelines for Reverse Auction (RA) were last revised in March 2020. Based on implementation feedback from Units/ Regions and deliberation with various agencies, the revised RA guidelines are attached herewith.

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.

These revised guidelines shall be applicable for:

- (a) all NITs issued on or after 15 days from the date of issue of the circular,
- (b) NITs already issued with upfront declaration of RA and where techno-commercial bids (Part-I) are yet to be opened by issuing suitable corrigendum, if required

All other ongoing cases would be dealt as per existing guidelines.

The Circular and the revised guidelines are attached herewith.

Thanks and Regards,

*C Venkat Rao
GM / S S & P
Corporate Office, BHEL,
New Delhi*

**SOURCING STRATEGY & POLICY
CORPORATE OPERATIONS MANAGEMENT
BHEL – NEW DELHI**

AA:SSP:RA:05:amdt01

Dated: 10.03.2021

(Circular No. 45 of 2020-21)

Sub: Guidelines for Reverse Auction - 2021

Pursuant to the issue of Circular no. 44 of 2020-21 dated 08.03.2021 on Guidelines for Reverse Auction - 2021, following is to be noted with respect to clause 10.1:

1. In case of two or three techno-commercially qualified bidders, there shall be no elimination of H1 bidder (whose quote is highest in sealed envelope price bid).
2. In case of four qualified bidders, H1 bidder to be eliminated whereas in case of five qualified bidders, H1 and H2 bidders are to be eliminated.

Accordingly, Clause 10.1 of Guidelines for Reverse Auction - 2021 has been amended and the document is enclosed.

Based on above, Units/ Regions may issue/ modify necessary work instructions/ departmental procedures etc.

This issues with the approval of Competent Authority.


10/03/21

(C. Venkat Rao)
GM/ SS&P

Distribution:

- All Heads of Units/ Regions
- All Heads of MM of Units/ Regions
- SS&P page on Corporate Office intranet - <http://intranet.bhel.in>
- CVO - for kind info please
- SA to Director (Fin)/(E, R&D)/(HR)/(IS&P)/(Power) - for kind info of Director
- SA to CMD - for kind info of CMD

**SOURCING STRATEGY & POLICY
CORPORATE OPERATIONS MANAGEMENT
BHEL – NEW DELHI**

AA:SSP:RA:05
Dated: 08.03.2021

(Circular No. 44 of 2020-21)

Sub: Guidelines for Reverse Auction – 2021

Guidelines for Reverse Auction (RA) were last revised in March 2020. Based on implementation feedback from Units/ Regions and deliberation with various agencies, the revised RA guidelines are attached herewith.

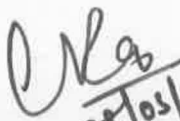
Following are the major changes:

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.

These revised guidelines shall be applicable for:

- (a) all NITs issued on or after 15 days from the date of issue of the circular,
- (b) NITs already issued with upfront declaration of RA and where techno-commercial bids (Part-I) are yet to be opened by issuing suitable corrigendum, if required

All other ongoing cases would be dealt as per existing guidelines.


08/03/21

Based on above, Units/ Regions may issue/ modify necessary work instructions/ departmental procedures etc.

This issues with the approval of Competent Authority.



(C. Venkat Rao)
GM/ SS&P

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GUIDELINES FOR REVERSE AUCTION - 2021

(AA:SSP:RA:05 dated 08.03.2021)

Amendment No.	Date of issue	Remarks
01	10.03.2021	Clause 10.1 modified

**SOURCING STRATEGY & POLICY
CORPORATE OPERATIONS MANAGEMENT
BHEL, New Delhi**

Guidelines for Reverse Auction – 2021

Doc. No. AA:SSP:RA:05
Dated: 08.03.2021

1.0 Scope

This document describes the guidelines to be followed by each Unit/ Division/ Region 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). Based on these guidelines, Units/ Divisions/ Regions (hereinafter referred as 'units') may issue their own Departmental Procedures without changing the intent and spirit of the guidelines contained in this document. These guidelines will supersede earlier guidelines issued vide AA:SSP:RA:04 dated 04.03.2020.

English Reverse (No ties) is a type of auction where the starting price and bid decrement are announced before start of online reverse auction. The interested bidders can thereupon start bidding in an iterative process wherein the lowest bidder at any given moment can be displaced by an even lower bid of a competing bidder, within a given time frame. The bidding is with reference to the current lowest bid in the reverse auction. All bidders will see the current lowest quoted price and their rank. The term 'No ties' is used since more than one bidder cannot give an identical price, at a given instant, during the reverse auction. In other words, there shall never be a tie in the bids.

2.0 Intent of Reverse Auction

To derive maximum benefit in cost savings through competitive bidding.

3.0 Upfront declaration in NIT

Wherever it is felt that procurement may be done through Reverse Auction, the bids shall be invited in two parts/ three parts or single part bid (Price Bid) where Techno-Commercial MoU already exists. Wherever, the evaluation is done for individual line item, separate sealed envelope price bid for each line item shall be taken.

Decision to go for RA would be taken before floating of the tender. In case it is decided to go for RA, same shall be declared upfront in NIT by inserting the following **clause**:

"BHEL shall be resorting to Reverse Auction (RA) (Guidelines as available on www.bhel.com) for this tender. RA shall be conducted among the techno-

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commercially qualified bidders.

Price bids of all techno-commercially qualified bidders shall be opened and same shall be considered for RA. In case any bidder(s) do(es) not participate in online Reverse Auction, their sealed envelope price bid along with applicable loading, if any, shall be considered for ranking."

4.0 Aspects to be considered for RA

Following aspects may be considered by the competent authority (empowered to approve the ordering) to decide before floating of the tender if RA is to be conducted for that particular tender:

- a) Number of techno-commercially qualified bidders in previous tender for same/ similar class of item
- b) Price volatility of the item(s) under consideration
- c) Past purchase experience of similar item(s)
- d) Tender Value of the item(s) under procurement
- e) Any other aspect which may be specific to tender

Note: Decision to go for RA or not will be on case to case basis with recorded reasons.

5.0 RA Committee

Purchase/ Tender committee, if already in place, shall also act as RA committee. Purchase representative will be the convener. In case Purchase/ Tender committee has not been formed, the Product Manager/ MM Head/ Department Head, shall constitute RA committee consisting of representatives (*rank as per DoP of tender/ negotiation committee*) from departments of Engineering/ Indenter/ User, Purchase and Finance. This committee will work for a specific tender. The role of RA committee shall be as below:

- To vet the comparative statement comprising sealed envelope price bids received, MSE status, qualification against Public Procurement (Preference to Make in India), Order 2017 (PPP-MII, Order 2017) of all techno-commercially qualified bidders, loading etc. before sending it to the service provider for RA.
- To decide and record the 'Start-Price' and 'Bid Decrement'.
- To observe the RA process and declare RA as successful.

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6.0 Business rules for RA

Model Business rules (annexure I) and other annexures II to VI are attached. MM shall prepare and fill in the required details in the annexures at appropriate places like:

- Enquiry/ Request for Quotation (RFQ) number
- Name and Addresses of the bidders
- Items description, quantities/ weight, Specification
- Date and time of opening and closing of RA
- Extension conditions
- Loading Criteria/ Formulae
- Foreign Exchange (FE) rates for evaluation
- Taxes & Duties
- Freight & Insurance
- Bidders' training, if required, etc.

The calculation sheet e.g. excel sheet (which will help to arrive at 'Total Cost to BHEL') which is communicated to respective bidders of RA, will be prepared by MM and vetted by Finance. This calculation sheet will be finalized based on the evaluation criteria specified in the NIT and will be same based on which sealed envelope price bids have been evaluated.

MM shall issue a mandate (annexure II) to the service provider covering business rules etc. and inform about event, calculation sheet etc. to all techno-commercially accepted bidders.

7.0 Role of Service Provider

- Acknowledge the receipt of mandate from BHEL.
- Contact the bidders, provide business rules and train them, as required.
- Get the process compliance form (annexure III) signed by all the participating bidders before RA event.
- Conduct the event as per the contract and business rules.
- Submit the Login Reports, Results, History sheet and authorized final bid from the bidders.
- To obtain price breakup from successful bidder and submit the same to BHEL.

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.

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amdt01 dated 10.03.2021

9.0 Witnessing Auction

Access to witness the RA shall be available to the concerned officials of BHEL (Indenter/ Finance Officials/ Purchase Officials), nominated by Head MM/ Purchase/ Contracts.

10.0 Reverse Auction Process

- 10.1 Reverse Auction will be conducted if two or more bidders are techno-commercially qualified. *In case of two or three qualified bidders, there shall be no elimination of H1 bidder (whose quote is highest in sealed envelope price bid). In case of four qualified bidders, the H1 bidder shall be eliminated whereas in case of five qualified bidders, H1 & H2 bidders shall be eliminated.* 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, *irrespective of the number of bidders qualifying techno-commercially.*

In case of multiple H1 bidders, all H1 bidders (excluding MSEs and bidders qualifying under PPP-MII, Order 2017) shall be removed provided minimum two bidders remain in fray, else no H1 removal.

- 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.

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- 10.3 No bidder shall be allowed to lower its bid below the current L1 by more than 5 decrements at one go.

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. However, principle of splitting to N-1 bidder shall be maintained in line with extant Purchase Policy/ Work Policy.
- 11.3 Reasonability of rates received through RA to be ascertained as per extant Policy provisions.

12.0 Payment to the Service Provider

Payment shall be made as per the agreed terms of the Framework Agreement with the service provider based on the mandate issued and service provider's invoice certified by the respective MM. If the RA event is conducted as per the mandate given by BHEL and agreed procedure, payment shall be made to the service provider irrespective of the auction outcome.

13.0 Others

- 13.1 If RA is being conducted for multiple line items and L1 is to be decided for individual items, number of items in single screen be restricted to 10 (ten) to avoid scrolling by the bidders.
- 13.2 In case of enquiry through e-Procurement, the sealed electronic price bid (e-bid) is to be treated as sealed envelope price bid.
- 13.3 BHEL will inform bidders the details of service provider who will provide business rules, all necessary training and assistance before commencement of online bidding.
- 13.4 Bidders will be advised to read the 'Business Rules' indicating details of RA event carefully, before reverse auction event.
- 13.5 Model annexures are enclosed. However, to suit specific requirement of the Units changes in the annexures may be done with the approval of respective MM Head of Unit. Such changes shall specifically be communicated to the service provider before the RA event.

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Business Rules for Reverse Auction

Annexure – I

This has reference to tender no **{tender number....date...}**. BHEL shall finalise the Rates for the supply of *{item name}* through Reverse Auction mode. BHEL has made arrangement with M/s. *{Service provider}*, who shall be BHEL's authorized service provider for the same. Bidders should go through the instructions given below and submit acceptance of the same.

The technical & commercial terms are as per (a) BHEL Tender Enq. No. {...} dated {...}, (b) Bidders' technical & commercial bid (in case of two part bid) and (c) subsequent correspondences between BHEL and the bidders, if any.

1. Procedure of Reverse Auctioning

- i. Price bids of all techno-commercially qualified bidders shall be opened.
- ii. **Reverse Auction:** The 'bid decrement' will be decided by BHEL.
- iii. The lowest bidder in sealed envelope price bid shall be shown as current L1 automatically by the system and no acceptance of that price is required. System shall have the provision to indicate this bid as current L1.
- iv. Bidders by offering a minimum bid decrement or the multiples thereof can displace a standing lowest bid and become "L1" and this continues as an iterative process. However, no bidder shall be allowed to lower its bid below the current L1 by more than 5 decrements at one go.
- v. After the completion of the reverse auction, the Closing Price shall be available for further processing.
- vi. Wherever the evaluation is done on total cost basis, after Reverse Auction, prices of individual line items shall be reduced on pro-rata basis.

2. Schedule for reverse auction: The Reverse Auction is tentatively scheduled on {date}: ;{start time}: ;{Close Time: }.

3. Auction extension time: If a bidder places a bid in the last {...} minutes of closing of the Reverse Auction and if that bid gets accepted, then the auction's duration shall get extended automatically for another {...} minutes,

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Business Rules for Reverse Auction

Annexure – I

for the entire auction (i.e. for all the items in the auction), from the time that bid comes in. Please note that the auto-extension will take place only if a bid comes in those last {...} minutes and if that bid gets accepted as the lowest bid. If the bid does not get accepted as the lowest bid, the auto-extension will not take place even if that bid might have come in the last {...} minutes. In case, there is no bid in the last {...} minutes of closing of Reverse Auction, the auction shall get closed automatically without any extension. However, bidders are advised not to wait till the last minute or last few seconds to enter their bid during the auto-extension period to avoid complications related with internet connectivity, network problems, system crash down, power failure, etc.

The above process will continue till completion of Reverse Auction.

Complaints/ Grievances, if any, regarding denial of service or any related issue should be given in writing thru e-mail/ fax to M/s. {Service provider} with a copy to BHEL within 15 minutes prior to initial closing time of Reverse Auction.

4. **Bid price:** The Bidder has to quote the {...} Price inclusive of Packing & Forwarding charges, all the routine & type tests as per tender scope, taxes, duties, freight and insurance as specified in tender document, including loading (if indicated by BHEL due to deviations in technical/ commercial terms) for the Items specified. Details are as shown in Excel Sheet for calculation of total cost to BHEL (To be specified by Unit as per NIT conditions).
5. **Bidding currency and unit of measurement:** Bidding will be conducted in *Indian Rupees per Unit* of the material as per the specifications {...}

In case of foreign currency bids, exchange rate (TT selling rate of State Bank of India) as on scheduled date of tender opening (Part-I bid) shall be considered for conversion in Indian Rupees. If the relevant day happens to be a Bank holiday, then the forex rate as on the previous bank (SBI) working day shall be taken.

6. **Validity of bids:** Price shall be valid for {... days} from the date of reverse auction. These shall not be subjected to any change whatsoever.

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Business Rules for Reverse Auction

Annexure – I

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7. **Lowest bid of a bidder:** In case the bidder submits more than one bid, the lowest bid at the end of Reverse Auction will be considered as the bidder's final offer to execute the work.
 8. Unique user IDs shall be used by bidders during bidding process. All bids made from the Login ID given to the bidders will be deemed to have been made by the bidders/ bidders' company.
 9. **Post auction procedure:** BHEL will proceed with the Lowest Bid in the Reverse Auction for further processing.
 10. Any commercial/ technical loading shall be separately intimated to respective bidders prior to RA. The excel sheet provided in this regard shall cover all these aspects. Commercial/ technical loading if any, shall be added by the respective bidder in its price during Reverse Auction. Modalities of loading & de-loading shall be separately intimated to the bidders. The responsibility for correctness of total cost to BHEL shall lie with the bidders.
 11. Reverse auction shall be conducted by BHEL (through M/s {Service Provider}), on pre-specified date, while the bidders shall be quoting from their own offices/ place of their choice. Internet connectivity shall have to be ensured by bidders themselves.

During the RA process if a bidder is not able to bid and requests for extension of time by FAX/ email/ phone then time extension of additional 15 minutes will be given by the service provider provided such requests come before 5 minutes of auction closing time. However, only one such request per bidder can be entertained.

In order to ward-off contingent situation of connectivity failure bidders are requested to make all the necessary arrangements/ alternatives whatever required so that they are able to circumvent such situation and still be able to participate in the reverse auction successfully. Failure of power or loss of connectivity at the premises of bidders during the Reverse auction cannot be the cause for not participating in the reverse auction. On account of this, the time for the auction cannot be extended and neither BHEL nor M/s. {Service provider} is responsible for such eventualities.

Guidelines for Reverse Auction – 2021

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Business Rules for Reverse Auction

Annexure – I

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- 12.** Proxy bids: Proxy bidding feature is a pro-bidder feature to safe guard the bidder's interest of any internet failure or to avoid last minute rush. The proxy feature allows bidders to place an automated bid in the system directly in an auction and bid without having to enter a new amount each time a competing bidder submits a new offer. The bid amount that a bidder enters is the minimum that the bidder is willing to offer. Here the software bids on behalf of the bidder. This obviates the need for the bidder participating in the bidding process until the proxy bid amount is decrementally reached by other bidders. When proxy bid amount is reached, the bidder (who has submitted the proxy bid) has an option to start participating in the bidding process.

The proxy amount is the minimum amount that the bidder is willing to offer. During the course of bidding, the bidder cannot delete or change the amount of a proxy bid.

Bids are submitted in decrements (decreasing bid amounts). The application automates proxy bidding by processing proxy bids automatically, according to the decrement that the auction originator originally established when creating the auction, submitting offers to the next bid decrement each time a competing bidder bids, regardless of the fact whether the competing bids are submitted as proxy or standard bids. However, it may please be noted that if a manual bid and proxy bid are submitted at the same instant manual bid will be recognized as the L1 at that instant.

In case of more than one proxy bid, the system shall bid till it crosses the threshold value of 'each lowest proxy bid' and thereafter allow the competition to decide the final L1 price.

Proxy bids are fed into the system directly by the respective bidders. As such this information is privy only to the respective bidder(s).

- 13.** Bidders are advised to get fully trained and clear all their doubts such as refreshing of Screen, quantity being auctioned, tender value being auctioned etc from M/s {Service provider}.
- 14.** M/s. {Service provider}, shall arrange to demonstrate/ train the bidder or bidder's nominated person(s), without any cost to bidders. M/s. {Service provider}, shall also explain the bidders, all the business rules related to the
-

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Business Rules for Reverse Auction

Annexure – I

Reverse Auction. Bidders are required to submit their acceptance to the terms/ conditions/ modalities before participating in the Reverse Auction in the process compliance form as enclosed. Without this, the bidder will not be eligible to participate in the event.

15. Successful bidder shall be required to submit the final prices (L1) in prescribed format (Annexure – VI) for price breakup, quoted during the Reverse Auction, duly signed and stamped as token of acceptance without any new condition (other than those already agreed to before start of auction), after the completion of auction to M/s. {Service provider} besides BHEL within two working days of Auction without fail.
16. Any variation between the final bid value and that in the confirmatory signed price breakup document will be considered as tampering the tender process and will invite action by BHEL as per extant guidelines for suspension of business dealings (as available on www.bhel.com).
17. Bidders' bid will be taken as an offer to execute the work/ supplies the item as per enquiry no. {...} dt. {...}. Bids once made by the bidder, cannot be cancelled/ withdrawn and bidder shall be bound to execute the work as mentioned above at bidder's final bid price. Should bidder back out and not execute the contract as per the rates quoted, BHEL shall take action as per extant guidelines for suspension of business dealings (as available on www.bhel.com).
18. Bidders shall be able to view the following on their screen along with the necessary fields during Reverse Auction:
 - a. Leading (Running Lowest) Bid in the Auction (only total price of package)
 - b. Bid Placed by the bidder
 - c. Start Price
 - d. Decrement value
 - e. Rank of their own bid during bidding as well as at the close of auction.
19. BHEL's decision on award of contract shall be final and binding on all the Bidders.
20. BHEL reserves the right to extend, reschedule or cancel the Reverse Auction process at any time, before ordering, without assigning any reason, with

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intimation to bidders.

21. BHEL shall not have any liability to bidders for any interruption or delay in access to the site irrespective of the cause. In such cases, the decision of BHEL shall be binding on the bidders.
22. Other terms and conditions shall be as per bidder's techno-commercial offers and other correspondences, if any, till date.
23. If there is any clash between this business document and the FAQ available, if any, in the website of M/s. {Service provider}, the terms & conditions given in this business document will supersede the information contained in the FAQs. Any changes made by BHEL/ service provider (due to unforeseen contingencies) after the first posting shall be deemed to have been accepted if the bidder continues to access the portal after that time.
24. Bidder shall not divulge either his Bids or any other exclusive details of BHEL to any other party. If the Bidder or any of his representatives are found to be involved in Price manipulation/ cartel formation of any kind, directly or indirectly by communicating with other bidders, action as per extant BHEL guidelines for suspension of business dealings (as available on www.bhel.com), shall be initiated by BHEL.

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Mandate to Service Provider

Annexure – II

Ref :

Date :

To,

M/s. {Service provider}

Sub: Providing of Services for Reverse Auction.

Ref: No {...} date {...}

Dear Sir,

Please conduct Reverse Auction as per the following details:

- **Scope:** Auction event management with training of BHEL and its bidders.
- Seek process compliance form from all the bidders provided by BHEL before start of RA event. In case of postponement of event to some other date, ensure acknowledgement from each bidder.
- Price: Rs. {.....}/- . No other duties, Taxes, levies etc. except service tax @ {.....}% shall be payable for conducting reverse auction. This price is firm.
- Payment Terms: 100% payment after successful completion of Auction.
- Start Price: L1 as per the CST (Comparative statement) of the envelope sealed bid shall be marked as L1 automatically by the system at the start of the auction, provided the L1 bidder participates in the RA by submitting the process compliance form. In case the Process Compliance form is not submitted by the L1 bidder, still its price has to be mapped as start price of RA for further bidding in RA.
Wherever there are more than one L1 in CST, the start price shall be the L1 price reduced by one decrement and the same shall be accepted by the interested bidder(s) for start of RA process.
- Completion of Auction Process: The auction process shall be deemed to have been successfully completed on receipt and acceptance of final report including hard copy/ email of the final bid with price break up, duly signed by the successful bidder who has participated in the reverse auction. The bill shall be submitted along with the completion report to the undersigned.
- Business Rules of the Reverse Auction are as per Annexure – I.
- The list of bidders with their contact details is given in Annexure – IV. and the details of the item (s) to be Reverse Auctioned are as per Annexure – V.
- Please acknowledge receipt of this letter order and also confirm that final report (duly signed and stamped by M/s. {Service provider}) including hard copy/ email of the final bid with breakup of prices duly signed by the successful bidder (duly endorsed by M/s. {Service provider}) shall be submitted within **four** working days of conclusion of auction.

Yours sincerely,

(for and on behalf of BHEL)

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Mandate to Service Provider

Annexure – II

Note:

If the event has been conducted as per mandate, you shall be paid irrespective of RA outcome.

Buyer Name	<ul style="list-style-type: none">- Name of BHEL Unit- Full postal address- Fax:- Phone:- Email:- Contact person name:- Phone:-
Auction to be conducted by	<ul style="list-style-type: none">- Name of Service provider- Full postal address- Fax:- Phone:- Email:- Contact person name:- Phone:-
Date of Auction	<ul style="list-style-type: none">- Date of Auction- Reverse auction time:- Auction website:-
Documents Attached: (To be sent to the bidders)	<ol style="list-style-type: none">1) Business rules for Reverse Auction (<u>Annexure-I</u>)2) Process Compliance Form (<u>Annexure-III</u>)3) Details of item (s) to be Reverse Auctioned (<u>Annexure-V</u>)4) Post RA Price confirmation by bidder (<u>Annexure-VI</u>)

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Process Compliance Form

Annexure – III

(The bidders are required to print this on their company's letterhead and sign, stamp before RA)

To

- M/s. {Service provider}
- Postal address}

Sub: Agreement to the Process related Terms and Conditions

Dear Sir,

This has reference to the Terms & Conditions for the Reverse Auction mentioned in the RFQ document for {Items} against BHEL enquiry/ RFQ no.{.....} dt. {.....} This letter is to confirm that:

- 1) The undersigned is authorized official/ representative of the company to participate in RA and to sign the related documents.
- 2) We have studied the Reverse Auction guidelines (as available on www.bhel.com), and the Business rules governing the Reverse Auction as mentioned in your letter and confirm our agreement to them.
- 3) We also confirm that we have taken the training on the auction tool and have understood the functionality of the same thoroughly.
- 4) We also confirm that, in case we become L1 bidder, we will FAX/ email the price confirmation & break up of our quoted price as per Annexure - VI within **two** working days (of BHEL) after completion of RA event, besides sending the same by registered post/ courier both to M/s. BHEL and M/s. {Service provider.}

We, hereby confirm that we will honor the Bids placed by us during the auction process.

With regards

Signature with company seal

Name –

Company / Organization

Designation within Company / Organization

Address of Company / Organization

- **Sign this document and FAX/ email it to M/s {Service provider} at {.....} prior to start of the Event.**

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List of bidders and their address/ contact person details

Annexure – IV

Sl. No.	Address	Contact Person
1	<ul style="list-style-type: none">- Name of bidder- Full postal address- Fax:- Phone:- Email:	<ul style="list-style-type: none">- Contact person name:- Phone:- Email:
2		
3		
..		
..		

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Details of item (s) for Reverse Auction

Annexure – V

1. *{Details of items including quantity, specification, Enquiry no. & date*

1.

2.

..

..

..

}

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RA price confirmation and breakup

(To be submitted by L1 bidder after completion of RA)

Annexure – VI

To

- M/s. Service provider
- Postal address

CC: M/s BHEL

{Unit-
Address-}

Sub: **Final price quoted during Reverse Auction and price breakup**

Dear Sir,

We confirm that we have quoted.

**Rs.{___ in value & in words ___} for item(s) covered under tender enquiry
No. {...} dt.{...}**

Total price of the items covered under above cited enquiries is inclusive of {Packing & forwarding, GST, E.D., C.S.T., freight and insurance charges up to {.....} District,{.....} State and Type Test Charges etc., (exclusive of service tax), other as per NIT}

as our final landed prices as quoted during the Reverse Auction conducted today {date} which will be valid for a period of {___ in nos. & in words ___} days.

The price break-up is as given below.

Total

=====

- Rs. in value & in words

=====

Yours sincerely,

For _____

Name:

Company:

Date:

Seal:
