

**PUNJAB STATE TRANSMISSION CORPORATION LIMITED**

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To

1. CE/HIS&D, PSTCL, Patiala.
2. CE/TS, PSTCL, Patiala.
3. CE/P&M, PSTCL, Ludhiana.
4. CE/SLDC, PSTCL, Patiala.
5. CFO, PSTCL, Patiala.
6. Company Secretary, PSTCL, Patiala.

Memo No. 1382/87/CAO(F&A)/Budget-80

Dated: 29/06/2021

**Subject:-** Comment upon proposed amendment in PSEB Works Regulation-1997 (Reprint 2003) by incorporating Reverse Auctioning/Bidding Clause for Works amounting to more than Rs.20 lacs.

Following Reverse Auctioning/Bidding Clause as per Schedule-E of PSTCL Purchase Regulations, 2021 is proposed to be incorporated in PSEB Works Regulations, 1997 for all the works valuing more than Rs.20 lacs:-

**Reverse Auctioning/Bidding (For Works more than Rs.20 lacs.)**

Reverse bidding will be carried out invariably for all works valuing more than Rs.20 lacs except where otherwise specifically approved by Director-In-Charge and Director/F&C. The following procedure and terms & conditions shall be applicable for Reverse Auction in PSTCL:-

1. In case the no. of bidders are more than 3, the H1 (Highest) bidder shall not be eligible to participate in further process of the tender and his tender shall be rejected.
2. All other Bidders shall be assigned a unique user name and password by e-tendering agency of PSTCL. Bidders are advised to change the password after the receipt of initial password from PSTCL to ensure confidentiality. All bids made from Login IDs assigned to bidders shall be deemed to have been made by bidders/bidders' company/ bidders' authorized representatives.
3. Eligible Bidders shall be required to submit their acceptance to the stipulated terms and conditions before participating in the R.A.
4. Online Reverse Auction shall be conducted by PSTCL on pre-specified date and time for duration of 1 Hour. The bidders may quote the bids from their own offices /place of their choice. Internet connectivity is to be ensured by bidders themselves.
5. All Eligible bidders are required to submit their price bid along with submission of Techno-commercial bid as per schedule. Only those bidders who submit their original bids within the scheduled time and who are considered technically and commercially eligible shall be eligible to participate in RA process.
6. Bidders shall be able to view the following on their screen along with the necessary fields during Online Reverse Auction:-
  - Start Price
  - Decrement Value
  - Current Bid value of the Bidder (Total Bid Price)
  - Best bid in the Auction (Current L1 price)
  - Next Valid Bid (Total Bid Prices to be quoted in order to become L1)
  - Minimum Bid Price (Bidder to enter his minimum Bid Price here)

7. Bidder may become 'L1 Bidder' by offering a price equal to or lower than the 'Next Valid Bid" and this shall continue as an iterative process.
8. Auction Extension Time : If a valid bid is placed within 5 minutes of End Time of the RA, then Reverse Auction duration shall get automatically extended for another 5 minutes from the existing end time. It may be noted that the auto extension will take place if a valid Bid comes in those last five minutes. If a bid does not get accepted as the lowest Bid, the auto-extension will not take place even if the bid might have come in last five minutes. The above process shall continue till no valid bid is received in last 5 minutes which shall mark the completion of reverse auction. The bidders are advised not to wait till the last moment to enter their bid so as to avoid complications related to internet connectivity, network problems, system crash down, Power failure etc. No request for extension in time period of RA due to any of the above reasons shall be entertained by PSTCL.
  - 8.1 If no bid is received within the specified time duration of the online RA, then PSTCL shall reserve the rights to scrap the online RA process and proceed with the L-1 Bid Price received through e-tendering for further processing.
  - 8.2 After completion of online Reverse Auction, the Closing Price (CP) shall be considered as L1 rate for further processing including negotiations (if required). Based on the final price quoted by bidders, the successful bidders shall be required to submit summary of Final Price in prescribed format (Summary of Final Price-Reverse auction, Uploaded by PSTCL in Excel Sheet) within 2 working days of conclusion of the RA. In case a bidder fails to submit the above Summary, then it may lead to cancellation of bid and call for action against the bidder which may include forfeiture of EMD/PEMD and suspension of business dealings etc. The final break up of prices will be given in a manner that all quoted prices shall be reduced proportionately by the same percentage and not arbitrarily.

**Note:-**

L-1 (after RA) bidder will submit the final price break up without altering originally quoted F & I. Final price breakup may not be obtained from other bidders. Their final price break up may be worked out proportionately without altering their originally quoted F&I and comparative statement be prepared accordingly.

9. (i) Proxy Bids: - Proxy bidding feature is a pro-bidder feature to safeguard the bidders' interest in event of internet failure or to avoid last minute rush. The proxy bidding feature allows bidder 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 bid price that the bidder is willing to offer. Here, the software shall automatically bid on behalf of the bidder who has quoted the lowest "Minimum Bid Price", the price which is one decrement less than the next bidder's bid price. This obviates the need for the bidder participating in the bidding process until the minimum bid amount is detrimentally reached by other bidders. When any bidder quotes a price lower than the existing lowest bid amount, the bidder (who had earlier submitted lowest proxy bid) has an option to once again start participating in the bidding process by quoting a price equal to or lower than the next valid bid price. However, it may please be noted that if the current bid matches the minimum bid of the lowest bidder submitted earlier, the bid submitted earlier by the lowest bidder will be recognized as the L1 at that instant.

During the course of bidding, the bidder shall not be able to delete or increase the proxy bid amount but can always reduce the same depending upon the amount quoted by other bidders. Proxy bids are fed into the system directly by the respective bidders. As such this information is privy only to the respective bidder(s).

- (i) PSTCL shall reserve the rights to cancel/reschedule the RA process/ tender at any time, with due intimation to all concerned, without assigning any reason.
- (ii) Other terms and conditions shall be as per bidder's Techno-Commercial offers and as per PSTCL's bidding documents and other up to date correspondence (if any).

**Note:** - The above procedure/system of "Proxy Bids" will only be followed if the software system supports it.

It is requested to provide your valuable comments/suggestions at the earliest so that draft agenda be prepared & put up for kind consideration and approval of BODs.

This issues with the approval of Hon'ble Director/F&C, PSTCL, Patiala.

  
Accounts Officer/Budget,  
PSTCL Patiala.