

**AIRPORTS AUTHORITY OF INDIA**  
**DIRECTORATE OF ENGINEERING**

Ref: AAI/CHQ/Engg.(E)/Cust. Duty/Tech-Inst./2020

Date: 26 Feb' 2020

**TECHNICAL INSTRUCTION NO.- 37**

**Subject: Systematic Improvement for evaluation of tenders with custom duty & standardization of maintenance cost of equipments /facility in the tenders.**

1. Guidelines for inclusion of Custom Duty amount for evaluation of price bid.
2. Guidelines for inclusion of Operation & Maintenance cost for equipment's/facilities.
3. Guidelines for Implementation of Make in India Policy for engineering works.
4. Applicability of procurement manual in Engineering works.

1. **Guidelines for inclusion of Custom Duty amount for evaluation of price bid:**  
It has been observed in one of the tender that, the evaluation of bid to establish L1 Bidder has been carried out without considering the custom duty amount. In case of make in India bidders, imported components for every bidders will be different, accordingly, different values of custom duties amount will be applicable, hence L1 position may change on addition of customs duty. Hence non-inclusion of custom duty for reverse auctioning will defeat the purpose of "Make in India" policy of the Govt. of India.

a) **To encourage the domestic manufacturer under the " Make in India" policy, following clauses shall be incorporated in the tender.**

i) *"Custom duty at prevailing rate (prevailing rate of custom duty is \_\_\_%)prevailing rate of custom duty including social welfare surcharge/ Cess /CVD (Countervailing Duty)etc. on applicable amount (CIF amount), shall be quoted by creating a separate line item to evaluate the financial bid for establishing L1 bidder. However, work order should be placed excluding GST & Custom Duty."*

ii) **Reimbursement/Adjustment of custom duty:**

- *In case the Custom Duty paid by AAI directly to Custom Authorities of Government of India by utilizing EPCG license/duty scrip under SEI scheme of Govt. of India/Cash by AAI directly to custom authority, is more than the custom duty amount quoted by agency then the difference of amount will be deducted to that effect from the agency's bills.*

*If it is less; the agency shall not have any claim for difference in the actual amount & quoted amount.*

- *In case AAI allows agencies to pay directly the custom duties, then the actual custom duty amount paid by agency shall be reimbursed by AAI against documentary evidence subject to quoted amount or actual custom duty amount whichever is less.*

## **2. Guidelines for inclusion of Operation & Maintenance cost for equipment's/facilities.**

In order to bring uniformity in Operation and Maintenance cost for equipments during SITC works/ composite tenders, following procedure shall be adopted.

- i) For individual SITC works / item rate Composite tenders with Operation and AICMC (Excluding EPC tenders) :
  - a) During tendering, the BOQ of price bid shall be prepared for SITC, operation and AICMC items, however agency is able to quote rates for SITC portion only and **Operation and AICMC price fields shall be in disabled mode** (Sample Template is attached as **Appendix-A**). After opening of price bid, the portal will display the total of SITC including position of bidders. (In case of reverse auctioning only L1 price will be displayed before reverse auctioning).  
The cost of operation and AICMC will be worked out on the basis of pre-decided percentage of SITC amount (in case of reverse auctioning the discounted SITC amount shall be considered) and subsequent cumulative escalation for 5/7 years.
  - b) The pre-decided percentage for AICMC cost for the first year after Defect Liability Period (DLP) shall be derived based on previous awarded works trend, offers from OEMS, life of equipment, standard practices depending upon location of the site. The concerned ED (Engg.),CHQ (in case of CHQ tender) / GM (Engg.), RHQ (in case of RHQ/ station tender) shall finalize the prefixed percentage judiciously.
  - c) The pre-decided percentage for Operation & routine maintenance cost for the first year during Defect Liability Period (DLP) and thereafter shall be derived on the basis of standard AOR for manpower as per site requirement/OEM's recommendations considering minimum wages act and applicable benefits as per labor laws and rules. The concerned ED (Engg.),CHQ (in case of CHQ tender) / GM (Engg.), RHQ (in case of RHQ/ station tender) shall finalize the prefixed percentage judiciously.

- d) The final tender evaluation shall be done on the basis of total cost i.e after adding cost of Operation and AICMC (after reverse auction).

**3. Make in India Policy:**

- (i) The "Make in India" policy circulated by Govt. of India on Dtd. 15.06.2017 with upto date revisions shall be applicable for Engineering works for global tenders. Accordingly, copy of policy adopted by AAI is enclosed for ready reference and applied on SITC portion considering the spirit of the policy.(i.e. to minimize the outflow of foreign exchange)
- (ii) The following para shall be incorporated in NIT and Tender document for evaluation of make in India component.
- (a) The bidder who wish to avail preference under Make in India policy should submit the undertaking (Annexure – A) for submission of Make in India documents in Envelope – II stating that the rates quoted towards local content shall not be less than 50% of total quoted amount (as per BOQ).
- (b) The bidder shall submit the details as per Form – III i.e. calculation of local content in goods / services provided in make in India policy available in tender document. This details should match with the rates quoted in Schedule of Quantities (i.e. submitted price bid), failing which AAI shall have full rights to consider their bid as non-make in India bid and price preference as per the provision of Make in India policy shall not be applicable even though the local content is more than 50%.
- (c) The bidder should submit filled and signed Forms – I, II, III & IV in sealed envelope (Make in India envelope) to bid manager in original hard copy such that the documents should reach before scheduled date of opening of price bid. In case of non-submission of these documents till scheduled time and date, their bid shall be treated as non- make in India bid.
- (d) The bid manager shall open the sealed envelopes containing Forms- I, II, III & IV as above after completion of reverse auction process in presence of tender opening committee members. Accordingly, eligibility of make in India bidders shall be verified based on the local content and L-1, L-2, L-3, etc., shall be finalized.

- 4. The provisions of Procurement Manual shall not be applicable for engineering procurements/works/services. The Engineering Works shall be governed by Engineering Works manual only.**

It is enjoined upon all engineers for strict compliance henceforth.

This technical instruction is available on the AAI website:

[www.aai.aero](http://www.aai.aero) => Employee Login => Circulars & Orders (Double Click) => Check Circulars => Department (Engineering) => Type of Circulars => Technical Instruction => Search.

*Pathak*  
26.02.20  
**(A K Pathak)**  
**Member (Planning)**

Distribution: As per attached list



NUMBER #	TEXT #	TEXT #	TEXT #	NUMBER #	TEXT #	EXT #	NUMBER #	NUMBER #	NUMBER #	TEXT #
Sl. No.	Item Description	Item Code	Quantity	Units	Quoted Currency in INR / Other Currency	BASIC RATE In Figures To be entered by the Bidder	TOTAL AMOUNT	TOTAL AMOUNT In Words		
4	PART-B Indian material cost of accessories and items for above equipment to be sourced from India in INR inclusive of all Taxes, duties of local bodies, State & Central Govt., freight & insurance etc. but exclusive of GST as applicable in India upto Chennai International Airport	Item No 1-B			INR		0.00	INR Zero Only		
5	PART-C- Basic Custom Duty on Imported material cost including cess as applicable on Part-A and exclusive of IGST	Item No 1-C			USD		0.00	USD Zero Only		
6	<b>FREIGHT, INSURANCE, TRANSPORTATION, ETC.</b>									
7	Cost of freight, insurance charges of Conveyor System with all accessories and spares, from port of origin to port of landing in India including handling charges for items covered under BHS	Item No 2-A			USD		0.00	USD Zero Only		
8	Inland Transportation charges for the Conveyor System with all accessories and spares within India from the port of landing to the Chennai International Airport including clearing charges, warehousing charges, loading, unloading, insurance, etc. as required as per the items covered under BHS.	Item No 2-B			INR		0.00	INR Zero Only		
9	PART-C- Basic Custom Duty on freight, insurances charges on imported material cost including cess as applicable on Part-A and exclusive of IGST	Item No 2-C			USD		0.00	USD Zero Only		
10	<b>OPERATION &amp; AICMC OF COMPLETE BAGGAGE HANDLING SYSTEM</b>									
11	Providing manpower for Operation & maintenance .....for ..... years including Defect liability period of ..... Years after completion of work.									
12	Year 1 - ( ... % of SITC cost including Freight, insurance & transportation)	Item No 4.1	1	JOB	INR	Rate to be masked (not quoted by bidder)		INR Zero Only		
13	Year 2 (Yearly ... % cumulative enhancement on first year cost shall be applicable for Second Year .)	Item No 4.2	1	JOB	INR	Rate to be masked (not quoted by bidder)		INR Zero Only		
14	Year 3 (Yearly ... % cumulative enhancement on second year cost shall be applicable for third Year )	Item No 4.3	1	JOB	INR	Rate to be masked (not quoted by bidder)		INR Zero Only		
15	Year 4 (Yearly ... % cumulative enhancement on third year cost shall be applicable fourth Year)	Item No 4.4	1	JOB	INR	Rate to be masked (not quoted by bidder)		INR Zero Only		
16	Year 5 (Yearly ... % cumulative enhancement on fourth year cost shall be applicable for fifth Year)	Item No 4.5	1	JOB	INR	Rate to be masked (not quoted by bidder)		INR Zero Only		
17	Year 6 (Yearly ... % cumulative enhancement on Fifth year cost shall be applicable for Sixth Year)	Item No 4.6	1	JOB	INR	Rate to be masked (not quoted by bidder)		INR Zero Only		

NUMBER #	Sl. No.	TEXT # Item Description	TEXT # Item Code	NUMBER # Quantity	TEXT # Units	TEXT # Quoted Currency in INR / Other Currency	NUMBER # BASIC RATE In Figures To be entered by the Bidder	NUMBER # TOTAL AMOUNT	TEXT # TOTAL AMOUNT in Words
18		Year 7 (Yearly ... * % cumulative enhancement on Sixth year cost shall be applicable for Seventh Year)	Item No 4.7	1	JOB	INR	Rate to be masked (not quoted by bidder)		INR Zero Only
19		<b>ALL INCLUSIVE COMPREHENSIVE MAINTENANCE CONTRACT OF COMPLETE INLINE BAGGAGE HANDLING SYSTEM</b>							
20		All inclusive Comprehensive Maintenance of .....for .....years after Defect liability period of ..... Years.							
21		During warranty period year 1 (Not Applicable)							
22		During warranty period year 2 (Not Applicable)							
23		Year 1 - (... * % of SITC cost including Frieght, insurance & transportation)	Item No 5.1	1	JOB	INR	Rate to be masked (not quoted by bidder)		INR Zero Only
24		Year 2 (Yearly ... * % cumulative enhancement on first year cost shall be applicable for Second Year.)	Item No 5.2	1	JOB	INR	Rate to be masked (not quoted by bidder)		INR Zero Only
25		Year 3 (Yearly ... * % cumulative enhancement on second year cost shall be applicable for third Year)	Item No 5.3	1	JOB	INR	Rate to be masked (not quoted by bidder)		INR Zero Only
26		Year 4 (Yearly ... * % cumulative enhancement on third year cost shall be applicable fourth Year)	Item No 5.4	1	JOB	INR	Rate to be masked (not quoted by bidder)		INR Zero Only
27		Year 5 (Yearly ... * % cumulative enhancement on fourth year cost shall be applicable for fifth Year)	Item No 5.5	1	JOB	INR	Rate to be masked (not quoted by bidder)		INR Zero Only
<b>Total in Figures</b>								<b>0.0000</b>	<b>Zero Only</b>

(\*) To be filled as approved by ED (Engg.), CHQ-NR or GM Engg.(E), RHQ as the case may be.

**ANNEXURE – A**

**UNDERTAKING TO BE SUBMITTED BY AGENCIES WHO WISH TO CLAIM  
PREFERENCE UNDER MAKE IN INDIA POLICY**  
(To be submitted in Envelope- II)

Name of work: .....

Name of Contractor / Firm.....

Bid No.:- .....

I / we have applied for above tender for the work of ".....  
.....' and hereby undertake that: -

- I / we have gone through the "Make in India Policy" mentioned in the tender document and have understood the provisions available in the policy.
- I/ we have quoted the make in India local content not less than **50%** of the total quoted amount as per BOQ.
- I / we will submit the details as per Form – III i.e. calculation of actual local content in goods / services provided in make in India policy available in tender document. This detail will match with the rates quoted in Schedule of Quantities (i.e. submitted price bid). Failing which AAI shall have full rights to consider my/ our bid as non-make in India bid and price preference as per the provision of Make in India policy shall not be **applicable even though the local content is more than 50%**.
- I / we will submit filled and signed Forms – I, II, III & IV in sealed envelope (Make in India envelope) to bid manager in original hard copy such that the documents will reach before scheduled date of opening of price bid or as directed by AAI. In case of non-submission of these documents till scheduled time and date, my / our bid shall be treated as non- make in India bid.

Signature of Contractor:

Date:

**FORM - "I"**

**Make of items / materials / accessories sourced from India**  
**(To be submitted in hard copy)**

<b>S. No.</b>	<b>Description of Accessories &amp; Items</b>	<b>Make of Accessories &amp; Items proposed</b>

Signature of tenderer with seal

FORM - "II"

**Make of Imported items and accessories**  
(To be submitted in hard copy)

S. No.	Description of Accessories & Items	Make of Accessories & Items proposed

Signature of tenderer with seal

**CALCULATION OF LOCAL CONTENT IN GOODS / SERVICES:**  
**(To be submitted in hard copy)**

Sr. No.	BOQ Item No.	Total Value of the Item procured (Foreign component after conversion into INR including Custom duty + Domestic component excluding GST)					Local content in INR (i.e. value addition done in India)	Percentage of local content	Location at which Value addition is done in India
		CIF Amount in INR (Conversion rate at the time of submission of Bid)	Applicable custom duty excluding IGST on (P) in INR	Foreign component including custom duty and excluding IGST in INR	Local content excluding GST in INR	Total Value of the Item procured in INR			
		(P)	(Q)	$R = (P + Q)$	(S)	$T = (R + S)$	(S)	$(S/T) \times 100$	
1									
2									

Signature of tenderer with seal

FORM - "IV"

**Certificate from the statutory auditor or cost auditor of the company**  
**(To be submitted in hard copy)**

- i) The local supplier shall be required to provide a following 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
- ii) We \_\_\_\_\_ the statutory auditor or cost auditor of the company (in the case of companies) of M/s \_\_\_\_\_ (name of the bidder) hereby certify that M/s \_\_\_\_\_ (name of manufacturer) meet the mandatory Local Content requirements of the Goods and services i.e. \_\_\_\_\_ quoted vide offer No. \_\_\_\_\_ dated \_\_\_\_\_ against AAI's tender No. \_\_\_\_\_ by M/s \_\_\_\_\_ (Name of the bidder).

Signature \_\_\_\_\_  
Stamp of Auditor \_\_\_\_\_

**MAKE IN INDIA**

**PUBLIC PROCUREMENT LINKED WITH LOCAL CONTENT (PP-LC) ORDER 2017.**

Public procurement (Preference to **Make in India policy 2017**) (PP-LC) has been notified and effected vide order dated 15-06-2017 of Govt. of India with up to date amendment to encourage and promote manufacturing and production of goods and services in India with a view to enhancing income and employment.

In order to implement 'Make in India' public procurement policy 2017 (PP-LC) following shall be considered and applicable uniformly for procurement of goods and service including turn-key works, across all disciplines in Airports Authority of India (AAI).

**1. LOCAL SUPPLIER:-**

'Local Supplier' means a supplier or service provider whose product or service offered for procurement meets the minimum local content i.e. 50 % of total value of the product or services.

**2. LOCAL CONTENT:-**

'Local content' means the amount of value added in India in the total value of the item procured (excluding net domestic indirect taxes) minus the value of imported content in the item (including all customs duties) as a proportion of the total value in percent.

**CALCULATION OF LOCAL CONTENT IN GOODS / SERVICES:**

Sr No.	BO Q Item No.	Total Value of the Item procured (Foreign component after conversion into INR including Custom duty + Domestic component excluding GST)				Local content in INR i.e. value addition done in India  (S)	Percentage of local content  (S / T ) x 100	Location at which Value addition is done in India
		CIF Amount in INR  (Conversion rate at the time of	Applicable custom duty excluding IGST on (P)	Foreign component including custom duty and excludi	Domestic component excluding GST in			

	submission of Bid (P)	in INR (Q)	including IGST in INR (R = P + Q)	INR (S)					
1									
2									

For the purpose of local content salary / professional fees paid in Indian Rupees (INR) to Indian based foreign employees will be treated as local content, if they are ordinarily resident in India for a longer period (6 months or more). However, salary / professional fees paid to foreign professionals coming to India on short term basis, or payments made in foreign currency, will not be treated as local content.

**Note:**

**Above currency conversion rates is only for calculation of local content for eligibility of Make in India.**

- i) The local supplier shall be required to provide a following 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
- ii) We \_\_\_\_\_ the statutory auditor or cost auditor of the company (in the case of companies) of M/s \_\_\_\_\_ (name of the bidder) hereby certify that M/s \_\_\_\_\_ (name of manufacturer) meet the mandatory Local Content requirements of the Goods and services i.e. \_\_\_\_\_ quoted vide offer No. \_\_\_\_\_ dated \_\_\_\_\_ against AAI's tender No. \_\_\_\_\_ by M/s \_\_\_\_\_ (Name of the bidder).

Signature  
Stamp of Auditor

**3. DEFINITION OF L1:-**

'L1' means the lowest tender or lowest bid or the 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.

**4. MARGIN OF PURCHASE PREFERENCE:-**

'Margin of purchase preference' means the maximum extent to which the price quoted by a local supplier above the L1 for the purpose of purchase preference, shall be 20 %, which shall be firm during particular procurement transaction.

**5. INCREASE OF LOCAL CONTENT:-**

Local content can be increased through partnership, cooperation with local companies establishing production units in India or Joint Ventures (JV) with Indian suppliers, increasing the participation of local employees in services and training them. The following conditions shall also be applicable.

- (a) Consortium of firms should not comprise more than two firms.
- (b) Joint venture firm as a single unit or each member of consortium should have Permanent Account Number (PAN).
- (c) Both the members of consortium must meet fully, jointly or as a single unit of Joint Venture (JV) the required PQC.
- (d) A detailed and valid agreement exists between the consortium members defining clear role, responsibility and scope of work of each member along with nomination of leader for the purpose of work under consideration commensurate with their experiences and capabilities and a confirmation that the members of the consortium assume joint and several responsibilities. It shall be mandatory for lead partner to attend all progress review meetings and shall be answerable to all issues relating to the project.
- (e) In all procurements, the leader of the consortium of firm shall meet 80% of the qualification criteria of NIT and shall accept overall responsibilities of contractual obligations for the total scope of work during execution and up to defects liability period. Second local partner of the consortium shall meet 40% of the PQC (Pre-Qualification Criteria).

*Note: - Percentage figures in clause no. 5(e) above are modifiable with the prior approval of ED/ Member concerned where ever needed or applicable. For example: -*

- i. Procurements with imported superior technology seldom used earlier in India, local firm is interested to participate but does not have sufficient experience and low competition is anticipated.
- ii. Procurements with imported superior technology but never used before in India, local firm is interested to participate but does not have sufficient experience and low competition is anticipated.

There may be other situation also needing application of this measure.

(f) Both the consortium firm should jointly possess the required Tools & Plants, Machinery and manpower and should produce self-attested documentary proof of owning and possessing required machinery.

**6. Manufacture under license/ technology collaboration agreements with phased indigenization:-**

- (a) If the product developed abroad, is being manufactured in India with the stipulated percentage (50%) of local content, under license from foreign manufacturer who holds intellectual property right and having technology collaboration agreement/ transfer of technology agreement with Indigenous manufacturer, is acceptable under this policy. Nodal Ministry may also reduce the requirement of stipulated local content subject to clear phasing of increase of local content.
- (b) Local content being manufactured in India but supplied by overseas bidder who has venture and bona-fide agreement with Indian manufacturer under License /Technology Collaboration agreements with phased Indigenization, the payment can be made in foreign currency to non-local bidder also subject to adjustment of taxes as applicable and prevailing regulation of RBI & Government of India. It can also be given in Indian National Rupees [INR] to local manufacturer through bona-fide bidder, subject to implementation of prevailing regulation of Government of India & RBI.

**7. Verification of local content:-**

- a) The local 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. 10 crores, the local 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) False declarations will be in breach of the Code of Integrity under Rule 175(1)(i)(h) of the General Financial Rules for which a bidder or its successors can be debarred for up to two years as per Rule 151 (iii) of the General Financial Rules along with such other actions as may be permissible under law.

- 8. **Exemption of small purchases:** Notwithstanding anything contained in paragraph 3, procurements where the estimated value to be procured is less than Rs. 5 lakhs shall be exempt from this Order. However, it shall be ensured by procuring entities that procurement is not split for the purpose of avoiding the provisions of this Order.
- 9. **Requirement for specification in advance :** The minimum local content , the margin of purchase preference and the procedure for preference to Make in India shall be specified in the notice inviting tenders or other form of procurement solicitation and shall not be varied during a particular procurement transaction.
- 10. A local supplier or bidder shall be considered to be from a country if (i) the entity is incorporated in that country, or (ii) a majority of its shareholding or effective control of the entity is exercised from that country; or (iii) more than 50% of the value of the item being supplied has been added in that country. Local supplier/ bidder shall mean those entities which meet any of these tests with respect to India.

11. **PURCHASE PREFERENCE (LINKED WITH LOCAL CONTENT) (PP-LC) AND ITS IMPLEMENTATION:-**

According to Make in India policy 2017, Purchase preference shall be given to local suppliers in all the procurement, in the manner as given in following clauses, if nothing otherwise notified by MOCA.

- 11.01** It is presumed that sufficient local capacity and local competition exist in country for procurement of goods where the estimated value of procurement is Rs.50 lacs or less but above Rs.5 lacs, & only local supplier shall be eligible.

**11.02**In-procurement of goods, up-to and less than Rs. 5 lacs, shall be exempted from implementation of public procurement linked with local content policy to the bidder being small purchases. However, it shall be ensured by procuring entities that procurement is not split for purpose of avoiding the provisions of this policy.

**11.03**In-procurement of goods where the estimated value of procurement is more than Rs. 50 lacs and which are divisible in nature, the following procedure shall be followed.

- a) Among all qualified bids, the lowest bid will be termed as L1, if L1 is from a local supplier, the contract for full quantity will be awarded to L1.
- b) If L1 bid is not from a local supplier, 50% 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 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 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 supplier, then such balance quantity may also be ordered on the L1 bidder
- c) Local suppliers/ bidders are further classified as Make in India (MII) bidder or MSME bidder if so, the purchase preference shall be considered for award as per illustrations given below in table 1.

**Examples:**

Table-1	
<p><b>Case-1</b> If bid participation trend is that - All the bids are from MII (local bidders) and no MSME (local bidder).</p>	<p>100 % order quantity will be awarded to L-1 bidder.</p>
<p><b>Case-2</b> If bid participation trend is that - (a) L-1: MII (local bidder). (b) Lowest MSME (local bidder) falling within price preference of 15%.  (c) No Non - local bidder</p>	<p>80% of order quantity will be awarded to L-1 bidder and 20% of order quantity will be awarded to lowest MSME (local bidder), ready to match price of L-1.</p>
<p><b>Case-3</b> If bid participation trend is that - (a) L-1: Non-local bidder. (b) Lowest MII (local bidder). (c) No MSME (local bidder).</p>	<p>(i) 50 % of order quantity will be awarded to L-1. (ii) Remaining 50 % of order quantity to be awarded to lowest MII (local bidder) if falling within 20 % price preference, provided, ready to match price of L-1.</p>
<p><b>Case-4</b>  <b>Where lowest MSME (local bidder) quote is higher than the lowest MII (local bidder).</b> And bid participation trend is that - (a) L-1: Non-local bidder. (b) Lowest MII (local bidder) falling within price preference of 20% and his price is lower than the MSME vendor.  (c) Lowest MSME falling within price preference of 15%.</p>	<p>(i) 50 % quantity will be awarded to L-1.  (ii) 40 % of order quantity will be awarded to lowest MII (local bidder) and 10 % of order quantity will be awarded to lowest MSME (local bidder) provided, ready to match the price of L-1.</p>

<p><b>Case-5</b></p> <p><b>Where lowest MII (local bidder) quote is higher than the lowest MSME (local bidder).</b></p> <p>And bid participation trend is that -</p> <p>(a) L - 1: Non-local bidder.</p> <p>(b) Lowest MSME (local bidder)</p> <p>falling within price preference of 15%.</p> <p>(c) Lowest MII (local bidder) falling within price preference of 20%.</p>	<p>(i) 50 % of order quantity will be awarded to L-1.</p> <p>(ii) Remaining 50 % of order quantity will be awarded to lowest MSME (local bidder) provided, ready to match L-1 price.</p>
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**11.04 In-procurement of goods where the estimated value of procurement is more than Rs. 50 lacs and which are not divisible in nature, the following procedure shall be followed.**

- a) Among all qualified bids, the lowest bid will be termed as L1, if L1 is from a local supplier, the contract for full quantity will be awarded to L1.
- b) 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 of 20 % of L-1 price, and the contract shall be awarded to such local supplier subject to matching the L1 price.
- c) 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.

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