



# PROCUREMENT POLICY MANUAL

FOR

“Program Management Consultant under World Bank Funded Program for Results (PforR) - Himachal Pradesh Water Supply and Sewerage Services (WSS) Improvement Program”

Submitted to:

**Shimla Jal Prabandhan Nigam Limited  
(SJPNL)**

April 2023

## Table of Contents

Abbreviations.....	v
1. Introduction.....	1
1.1. .... Procurement Rules and Regulations; and this Manual	1
1.2. .... Applicability of this Manual	1
1.3. .... Standards of Financial Propriety	2
1.4. .... Proactive Information Disclosure	3
1.5. .... Public Procurement Cycle	3
1.6. .... Administrative Control and Powers to Sanction	3
2. Procurement Policy, Plan and Strategy .....	4
2.1. .... Procurement Policy	4
2.2. .... Procurement Plan	4
2.3. .... Program Implementation and Strategy	5
2.4. .... Institutional Structure	5
3. Procurement Units/ Committees .....	7
3.1 Unit/ Committee roles and responsibilities .....	7
3.2 Extent of authorities .....	9
3.3 Procurement Procedures .....	9
4. Registration/Enlistment Process of Contractors and Governance Issues .....	10
4.1. .... Contractor/Supplier Relationship Management Eligibility and Process of Enlistment	10
4.2. .... Registration of Suppliers/Contractors	10
4.3. .... Code of Conduct for Public Procurement	12
4.4. .... Integrity Pact (IP)	13
4.4.1. .... Debarment Policy	13
5. Methods of Procurement .....	21
6. Procurement of Goods .....	23

6.1	..... Definition of Goods:	23
6.2	..... Modes of procurement	23
6.3	..... Bidding Systems	27
6.4	..... Electronic Procurement (e-Procurement)	30
6.5	..... Electronic Reverse Auction (GFR – 167)	30
6.6	..... Any other information as may be relevant to the method of procurement. Electronic Reverse Auction (GFR – 167)	30
6.7	..... Preparation of Bid Documents, Publication, Receipt and opening of Bids	30
6.8	..... Forms of Securities, Payment Terms and Price Variations	35
6.9	..... Evaluation of Bids and Award of Contract	41
6.10	..... Contracts and Other Procurements	41
6.11	..... Contract Management	43
7.	Procurement of Works	55
7.1	..... Types of Works	55
7.2	..... Definition and Types of Contracts	56
7.3	..... Applicability of Contracts	61
7.4	..... KPI for Procurement after Publication of Tender	64
7.5	..... Initiation of Works Procurement Process (Pre-bid activities)	64
7.6	..... Procurement Process for Works	67
7.7	..... Bidding Process	72
7.8	..... Payments and Securities	76
7.9	..... Evaluation of Bids and Award of Contract	78
7.10	..... Monitoring of Works and Quality Assurance	87

7.11	.....Closure of Contract	94
8.	Procurement of Services	96
8.1.	.....Types of Consultants/ Service Providers	96
8.2.	.....Procurement Process for Individuals	97
8.3.	.....Procurement Process for NGOs	98
8.4.	.....Procurement Process for Consultancy Firms/ Consortiums	98
8.5.	.....Types of Contracts	106
8.6.	.....Monitoring after Award of Contract	107
8.7.	.....Conclusion/ Exit Strategy	109
9.	Procurement Risk Management	110
9.1	.....Risks in Procurement Process and Mitigation Strategies	110
9.2	.....Procurement – Risk Mitigation Action Plan	111
9.3	.....Procurement/Tendering Complaints and Handling Mechanism	112
Annexures		113
Annexure 1A	Tentative Schedule of tendering process for the works more than 1 Cr.....	114
Annexure 1B	List of Goods /Equipment /Vehicles /Furniture Etc. To Be Procured	116
Annexure 1C:	List of Consultancy Services to Be Hired	117
Annexure 1:	Schedule of Procurement Powers (SoPP)	118
Annexure 2:	Class of Contractors	141
Annexure 3:	Application for Enlistment/up-gradation for Contractorship	143
Annexure 4:	Designated Committee to consider the Enlistment/Up-gradation of different categories of contractors in HP Public Works Department.....	147
Annexure 5:	Format for Undertaking Certifying that Bidder is not Blacklisted/Debarred.....	148
Annexure 6:	Process Flow of Penal Action for Agency in SJPNL for debarment	149
Annexure 7:	Process flow of Chart of Revocation against Debarment/Blacklisting Order of Agency/Vendor	150
Annexure 8:	Model Clause/ Certificate to be inserted in tenders etc. w.r.t Order (Public Procurement No.1)	151
Annexure 9:	Limited Tender Form	153
Annexure 10:	Proprietary Article Certificate	156

Annexure 11: Purchase without Quotation Format.....	157
Annexure 12: Purchase Committee Certificate Format .....	158
Annexure 13: Prequalification Criteria .....	159
Annexure 14: Bid Opening Attendance Sheet cum Report .....	162
Annexure 15: Tender Committee Minutes Format .....	163
Annexure 16: Invitation and Declaration for Negotiations.....	165
Annexure 17: Format of Revised Offer in Negotiations.....	166
Annexure 18: Letter (Notification) of Award (LoA) of Contract Format.....	167
Annexure 19: INCOTERMS.....	168
Annexure 20: Progress of Supply Order Register.....	169
Annexure 21: Proposal for Extension of Delivery Period .....	170
Annexure 22: Format for Extension of Delivery Period/ Performance Notice.....	171
Annexure 23: Model Format for Correspondence with Supplier after Expiry of Delivery Date....	173
Annexure 24: No Claim Certificate .....	174
Annexure 25: Goods Receipt and Inspection Report.....	175
Annexure 26: Pay Order Form.....	176
Annexure 27: Survey Committee’s Report.....	177
Annexure 28: Bid-security Declaration Format.....	178
Annexure 29: A Sample MOU for Works .....	179
Annexure 30: Format of Procurement Proposal .....	186
Annexure 31: Terms of Reference (TOR) Format.....	188
Annexure 32: Bid Opening Attendance Sheet cum Report .....	189
Annexure 33: TEC Committee Minutes Format for Consultancy Services.....	190
Annexure 34: Format for evaluation of Responsiveness .....	193
Annexure 35: Format for Simplified Evaluation of Quality (LCS/EoI) .....	194
Annexure 36: Format for Detailed Technical evaluation - Summary Sheet.....	195
Annexure 37: Certificate for Procurement of Other Services without Quotations .....	197
Annexure 38: Purchase Committee Certificate for procurement of other services.....	198
Annexure 39: Electronic Procurement (e-Procurement).....	199
Annexure 40: Offline Record of Complaints.....	201
Annexure 41: Tender Committee Constituted to Process the Tenders of SJPNL.....	202
Annexure 42: Tendering Process of Jal Shakti Vibhag .....	203
Annexure 43: KPI for Procurement after Publication of Tender .....	204
Annexure 44: Example Identification of an ALB.....	205

## Abbreviations

AMC	Annual Maintenance Contract
ACASH	Association of Corporations and Apex Societies of Handlooms
AITB	Additional Instructions to Bidders
AMC	Annual Maintenance Contract
BC	Bill Currency (selling/ buying)
BEE	Bureau of Energy Efficiency
BG	Bank Guarantee
BIS	Bureau of Indian Standards
BOC	Bid Opening Committee
BSTC	Buyer Specific Terms & Conditions
BSV	Balance Sale Value
C&AG	Comptroller and Auditor General (of India)
CA	Competent Authority
CAPEX	Capital Expenditure
CBI	Central Bureau of Investigation
CCI	Competition Commission of India
CFR	Cost and Freight
CHA	Custom House Agent
CIF	Cost Insurance and Freight
CIP	Carriage and Insurance Paid
CMC	Comprehensive Maintenance Contract
COMPAT	Competition Appellate Tribunal
COTS	Commercially Off The Shelf (Items)
CPCB	Central Pollution Control Board
CPO	Central Purchasing Organizations
CPPP	Central Public Procurement Portal
CPSE	Central Public Sector Enterprise
CRAC	Consignee Receipt and Acceptance Certificate
CST	Central Sales Tax
CVC	Central Vigilance Commission
CVO	Chief Vigilance Officer
DCF	Discounted Cash Flow
DDO	Direct Demanding Officer (for RCs)
DFPR	Delegation of Financial Power
DGS&D	Directorate General of Supplies and Disposals
DPIIT	Department for Promotion of Industry and Internal Trade
DSC	Digital Signature Certificate eASP E-Auction Service Provider
ECS	Electronic Clearing System
EFT	Electronic Funds Transfer
EMD	Earnest Money Deposit
EOI	Expression of Interest (Tender)
EPM	Export Promotion and Marketing
ERV	Exchange Rate Variation
EXIM	Export Import (Policy)
FA (&CAO)	Financial Adviser (and Chief Accounts Officer)
FAS	Free Alongside Ship
FC	Framework Contract

FEMA	Foreign Exchange Management Act
FM	Force Majeure
FOB	Free On Board
FOR	Free On Rail
FOT	Free On Truck
GCC	General Conditions of Contract
GCS	General Conditions of Sale
GeM	Government Electronic Market
GFR	General and Financial Rules, 2017
GoI	Government of India
GRIR	Goods Receipt and Inspection Report
GTC	General Terms & Conditions
GTE	Global Tender Enquiry
HOD	Head of the Department
IEM	Independent External Monitor
INCOTERMS	International Commercial Terms
IP	Integrity Pact
IRDA	Insurance Regulatory and Development Authority
ISI	Indian Standards Institute
ISO	International Organization for Standardization
ITB	Instructions to Bidders
ITJ	Indian Trade Journal
JLG	Joint Liability Group
KPIs	Key Performance Indices
KVIC	Khadi and Village Industries Commission
L1	Lowest Bidder
LC	Letter of Credit
LCC	Life Cycle Costing
LD	Liquidated Damages
LoA	Letter (Notification) of Award
LPP	Last Purchase Price
LTE	Limited Tender Enquiry
M&P	Machinery and Plant
MeitY	Ministry of Electronics and Information Technology
MoEF	Ministry of Environment and Forests
MRP	Maximum Retail Price
MSE	Micro and Small Enterprise
MSME(D)	Micro Small and Medium Enterprises
MSTC	Metal Scrap Trading Corporation
NEFT	National Electronic Funds Transfer
NIC	National Informatics Centre
NIT	Notice Inviting Tender
NSIC	National Small Industries Corporation
NTH	National Test House
OEM	Original Equipment Manufacturer
OES	Original Equipment Suppliers
OPEX	Operating Expense
OPMs	Original Parts Manufacturers

OTE	Open Tender Enquiry
PAC	Proprietary Article Certificate
PBG	Performance Bank Guarantee, also see SD
PC	Producer Companies
PPD	Procurement Policy Division
PPP	Public Private Partnership
PPP-MII	Public Procurement
PQB	Pre-qualification Bidding
PQC	Pre-qualification Criterion
PR	Purchase Requisition/ Indent
PSU	Public Sector Undertaking
PVC	Price Variation Clause
QA	Quality Assurance
RA/ eRA	Electronic Reverse Auction
RBI	Reserve Bank of India
RC	Rate Contract (or Framework Contract FC)
(S)RfP	(Standard) Request for Proposals
RTGS	Real Time Gross Settlement
RTI	Right to Information
SBD	Standard Bidding Document
SC	Survey Committee
SCC	Special Conditions of Contract
SD	Security Deposit, also see PBG
SHG	Self Help Group
SLA	Service Level Agreement
SLTE	Special Limited Tender (Enquiry)
SoPP	Schedule of Procurement Powers
SPCB	State Pollution Control Board
STA	Subject to Acceptance
STC	Special Terms & Conditions
STE	Single Tender Enquiry
TC	Tender Committee also called
TCO	Total Cost of Ownership
TCS	Tax Collected at Source
TDS	Tax Deducted at Source
ToR	Terms of Reference
TS	Technical Specification
UAM	Udyam Aadhaar Memorandum
UCP	The Uniform Customs and
UNCITRAL	United Nations Commission on International Trade Law
URC	Udyam Registration Certificate
URDG	Uniform Rules for Demand Guarantees
VAT	Value Added Tax
VfM	(Best) Value for Money
WOL	Whole of Life (Cost) or Total Cost of Ownership TCO