

# **BID EVALUATION**

## **CASE STUDIES AND EXERCISES**

### **GROUP-I**

- 1. Bihar (Leader)**
- 2. Andaman & Nicobar Islands**
- 3. Andhra Pradesh**
- 4. Arunachal Pradesh**
- 5. Assam**
- 6. Chandigarh**
- 7. Chhattisgarh**

## **BID EVALUATION**

### **CASE STUDY NO. 1**

#### **Procurement of computers**

##### **A. Facts**

1. The bid documents for procurement of computers contained a qualification criteria of supply of computers similar to the type specified in the Schedule of Requirement upto at least 300% of the quantity required in the last three years. The requirement of computers specified was 100 numbers.

2. In response to the notification of bids, five bids were received and the details are given below:

S.No.	Name of the Bidder	Quantity	Bid price offered (in Rs.)	No. of computers supplied during the last three years		
				2008-09	2009-10	2010-11
1.	Bidder No. 1	100	50,00,000	280	310	350
2.	Bidder No. 2	100	52,00,000	400	250	310
3.	Bidder No. 3	100	52,50,000	375	325	330
4.	Bidder No. 4	100	52,60,000	350	370	350
5.	Bidder No. 5	100	52,65,000	360	330	340

3. During evaluation, the Purchase Committee has recommended that even though the qualification criteria of supply of the minimum requirement upto at least 300% of the quantity required in any one of the last three years is not fulfilling by the lowest bidder (Bidder No. 1), the contract may be awarded to Bidder No. 1, as the non-fulfillment of qualification criteria in one year was not a material deviation of the bidding documents. Accordingly, the SPD awarded the contract to Bidder No. 1.

##### **B. Questions**

1. Do you agree with the recommendations made by the Purchase Committee? If not, which bidder should have been awarded the contract?
2. Do you agree with the award made by the SPD as per the recommendations of the Purchase Committee?
3. In your opinion what action should have been taken by the SPD in this case?

## **BID EVALUATION**

### **GENERAL EXERCISES**

#### **QUESTIONS :**

1. How minimum bidding period is calculated?
2. Can bid opening date be extended without extending the date for sale of bidding documents?
3. Whether a bid can be considered as responsive where technical specification is fulfilled but there was material deviation in commercial conditions?
4. What action is to be taken, if technical specification is not in conformity with the requirement given in the bidding documents?
5. In An open tender bidding for printing of books, the bid of a printer was determined as lowest in the preliminary evaluation and technical evaluation. However, he did not fulfill the condition of past experience. State whether his bid can be determined as responsive in post qualification evaluation?
6. Whether brand names can be quoted in technical specifications in the bidding documents?
7. Can the Earnest Money be refunded to a bidder who has not accepted the correction of arithmetic errors pointed out in writing by the purchaser?

# **BID EVALUATION**

## **CASE STUDIES**

### **GROUP-II**

- 1. Gujarat (Leader)**
- 2. Dadra & Nagar Haveli**
- 3. Daman & Diu**
- 4. Delhi**
- 5. Goa**
- 6. Haryana**
- 7. Himachal Pradesh**

## **BID EVALUATION**

### **CASE STUDY NO. 2**

#### **Procurement of computers**

**A. CASE TOPIC: Evaluation of technically non-complying bid and proposal to rebid.**

**B. CASE FACTS:**

1. The DPO invited bids for the supply of computers. Before the deadline for the submission of bids, a pre-bid meeting was held to clarify the technical specifications. The meeting was attended by suppliers/representatives who subsequently submitted bids.

2. Bids were opened on April 5, 2011 and the bids submitted are listed as follows:

Supplier	Bid Price (In Rupees)	As percentage of lowest bidder
Bidder-A	55,85,454	100
Bidder-B	56,96,834	102
Bidder-C	57,85,943	104
Bidder-D	58,50,475	105
Bidder-E	59,61,705	107
Bidder-F	60,65,960	109

3. The estimated cost was Rs.60,00,000. The bids were evaluated by the Purchase Committee and the results thereof are as follows:

Bidder-A	Rejected as technically unresponsive
Bidder-B	Rejected as technically unresponsive
Bidder-C	Rejected as technically unresponsive
Bidder-D	Responsive and ranked No. 1
Bidder-E	Responsive and ranked No. 2
Bidder-F	Responsive and ranked No. 3

4. Based on the above, the Purchase Committee at the district level recommended that the contract be awarded to Bidder-D, the lowest evaluated responsive bidder at a cost of Rs.58,50,475.

5. The DPO, however, after reviewing the evaluation report, wanted to annual the result of the bidding and to call for the new bids (re-bidding) for the following reasons:

- (a) There is a large variation between the prices of the evaluated responsive bidders and the rejected bidders.
  - (b) A rebidding will provide an opportunity to avail of the recent technology and economy.
- 6. The case was referred to SPD for a decision.
- 7. Based on the recommendation of the DPO, the SPD decided as follows:
  - (a) Rejected the DPO's recommendation to conduct a rebidding; and
  - (b) As technical specification was based on the latest version available in the market, approved the award of contract to Bidder-D, the lowest evaluated substantially responsive bidder, with contract price of Rs.58,50,475, which was within the estimated cost of Rs.60,00,000.

**C. CASE QUESTIONS**

- 1. Was the pre-bid meeting in this case useful?
- 2. How would you assess the merit or demerits of the recommendations of the DPO for a rebidding?
- 3. Do you agree with the decision of the SPD in this case?

# **BID EVALUATION**

## **CASE STUDIES**

### **GROUP-III**

- 1. Karnataka (Leader)**
- 2. Jammu & Kashmir**
- 3. Jharkhand**
- 4. Kerala**
- 5. Lakshadweep**
- 6. Madhya Pradesh**
- 7. Maharashtra**

## **BID EVALUATION**

### **CASE STUDY NO. 3**

#### **Civil Works - Construction of KGBV building**

##### **A. CASE FACTS:**

1. In the bid documents for the construction of school building, the electrical works was not included and there was no clause in the final bidding documents as to how the subcontractor for electrical wiring would be selected.
2. After the issuance of bid invitation, questions were raised by contractors regarding this part of the contract. In response to these questions, the SPD issued an addenda to the civil works contract clarifying that (a) the provisional sum for the electrical works will be approximately Rs. 5 lakh with 2.5% of this value as management fee for the civil works contractor; (b) the employer will select the shortlist of electrical sub contractors and (c) if the bid price for the electrical work was higher than the provisional sum, the employer will be responsible for deficit of funds. However, the selection procedures for electrical sub contractors were still not clearly indicated in the final bidding documents. The SPD then proceeded to procure the electrical works as part of the civil works through open tender method.. Eight contractors submitted bids but of the five lowest priced evaluated bidders, only one met the post qualification criteria.
3. All the four contractors who failed to post qualification criteria made representations to the employer, protesting that they would have been qualified. On re-examination, it was still not found possible to qualify any of them without changing the post-qualification conditions.

##### **B. CASE QUESTIONS**

1. Do you consider it appropriate not to include the electrical works originally in the bid documents?
2. Given the procedure for the construction of civil works contract under open tender method, do you consider the action of the SPD to engage a sub contractor of its own arrangement without entrusting the electrical works to the civil works contractor?
3. Was it necessary to prescribe post-qualification conditions for the selection of a sub contractor?



# **BID EVALUATION**

## **CASE STUDIES AND EXERCISES**

### **GROUP-IV**

- 1. Tamil Nadu (Leader)**
- 2. Meghalaya**
- 3. Mizoram**
- 4. Nagaland**
- 5. Odisha**
- 6. Puducherry**
- 7. Punjab**

## **BID EVALUATION**

### **CASE STUDY NO. 4**

## **Civil Works - Construction of multistoried School building in urban areas**

### **A. CASE FACTS:**

1. In the bid documents for the construction of school buildings in urban areas under SSA, the description of door and window is given as follows:

- (i) Wooden Door (Double)
- (ii) Aluminum Window
- (iii) Steel Security Grill

2. The details of bids received and the bid prices are as follows:

Srl No.	Name of the Bidder	Bid Price for the school building (In Rupees)
1.	Bidder No. 1	35,25,480/-
2.	Bidder No. 2	40,10,325/-
3.	Bidder No. 3	42,35,250/-

3. While carrying out the evaluation of the bids, it was observed from the Bill of Quantities furnished by the bidders that Bidder No.1 has quoted for Wooden Window instead of Aluminum Window. However, the other two bidders have correctly quoted for the Aluminum Window.

4. The Purchase Committee recommended Bidder No.1 as lowest evaluated responsive bidder, as the deviation in the technical specification was considered to be minor (non-substantive).

### **Questions**

1. How would you evaluate the bids in the light of the above deviation?
2. Who would be the lowest evaluated responsive bidder in this case?

## **BID EVALUATION**

### **EXERCISE No 1**

#### **EARNEST MONEY DEPOSIT**

1. Relevant details of bidding documents for the printing of text books are given below:

(a)

Date of Notification of open tender	21-3-2011
Date of opening of bid	9-4-2011
Bid validity period	90 days
Earnest Money	Rs. 10 lakh (2% of the estimated contract amount) in the form of a demand draft/banker's cheque/bank guarantee from a nationalized/ scheduled bank valid for 45 days beyond the bid validity period

(a) Details of Earnest Money Deposit submitted:

Name of the bidder	Bid price quoted (In Rupees)	Earnest Money deposited	Form of deposit	Name of bank	Date of issue	Valid up to
Bidder No 1	4,98,50,000	10,00,000	Bank Guarantee	Scheduled Bank	25-3-2011	20-8-2011
Bidder No 2	4,99,20,000	9,50,000	Demand Draft	Nationalized Bank	23-3-2011	22-8-2011
Bidder No 3	4,98,10,000	10,00,000	Bankers' cheque	Private Bank	31-3-2011	25-8-2011
Bidder No 4	4,99,60,000	10,00,000	Bank Guarantee	Nationalized Bank	6-4-2011	31-8-2011
Bidder No. 5	4,98,40,000	10,00,000	Bearer Cheque	Nationalized Bank	8-4-2011	7-7-2011S
Bidder No. 6	4,98,70,500	10,00,000	Bank Guarantee	Scheduled Bank	20-3-2011	23-8-2011

**Question:** Evaluate the bids submitted by the above bidders in regards to the Earnest Money deposit made by them based on the information furnished above and find out the responsive bidders, indicating the reasons for rejection of other bids as non-responsive.

# **BID EVALUATION**

## **CASE STUDIES**

### **GROUP-V**

- 1. West Bengal (Leader)**
- 2. Manipur**
- 3. Rajasthan**
- 4. Sikkim**
- 5. Tripura**
- 6. Uttar Pradesh**
- 7. Uttarakhand**

## BID EVALUATION

### CASE STUDY NO. 5

## Printing of Books

#### A. CASE FACTS:

1. The SPD invited bids for the printing of 8 titles of text books of 64,000 copies. Bids were opened on July 23, 2011 and the bids submitted are listed as follows:

Supplier	Bid Price (In Rs.)	As percentage of lowest bidder
Bidder-A	3,565,600	100
Bidder-B	3,868,000 (after allowing 5% discount, the bid price has come down to 3,674,600)	103
Bidder-C	4,074,170	114
Bidder-D	4,425,200	124

2. Commercial Bid Evaluation Committee Meeting was held on 30 October 2011 for which the members of the Procurement Committee were present. The Bid Analysis short listed vendor details are given below::

Srl. No	Bidder Name	Amount quoted (Rs)	Remarks
1	Bidder-A	3,565,600	Vendor visit made. Has the capacity & ability to the supply the goods. Has relevant past experience of supplying the similar goods to schools
2	Bidder-B	3,674,600	Vendor visit made. Although the price is low, the capacity & ability of the vendor is low. No relevant past experience of supplying the similar goods to schools
3	Bidder-C	4,074,170	Vendor visit made. Has the capacity & ability to the supply the goods. Has relevant past experience of supplying the similar goods to schools.

			Able to negotiate with the prices and got a 15% discount (reduction in prices) New bid amount will be <b>Rs.3,463,044.50</b>
4	Bidder-D	4,425,200.00	Vendor visit made. Price is high compared to other vendors. Capacity & ability of the vendor is low. No relevant past experience of supplying the similar goods to INGOs

3. Based on the technical evaluation and the onsite observations made the Purchase Committee recommended Bidder C for the award of contract.

4. The Purchase Committee recommended award to Bidder C on the ground that Bidder A was not willing to negotiate prices but Bidder C was willing to reduce the bid price.

5. The SPD also agreed to the above recommendation, stating that the third highest bidder has been negotiated which offered 15% off on the quoted price that brought the price down and lesser than the lowest bidder who declined to offer any discount. As such the contract was awarded to Bidder C.

## **B. CASE QUESTION**

1. Do you agree to the above award? If not, why?