

V.O.CHIDAMBARANAR PORT TRUST
FINANCE DEPARTMENT

No.FIN-OFFAO-CRT-MONT-V1-19(22930)

Date:31.08.2019

CIRCULAR No.12/2019-20

With reference to the Ministry of Shipping letter No.CD-11053/104/2019 Coord dated 13.08.2018, the following instructions are issued for necessary compliance.

Salient Features of the Government order:

Purchase preference shall be given by all procurements undertaken by procuring entities

(i) In procurement of all goods, services or works in respect of which the estimated value of procurement is less than Rs.50 lakhs only local suppliers shall be eligible to bid. However, in procurement of all goods, services or works in respect of which Nodal Ministry/ Department has communicated that there is sufficient local capacity and local competition, only local suppliers shall be eligible to bid irrespective of purchase value.

(ii) If the procuring authority is of the view that the goods, services or works of required quality/specifications etc., may not be available in the country, or sufficient capacity or competition does not exist domestically and it is necessary to undertake global competitive bidding, the procuring authority may allow the same after recording the reasons with the following procedure:

a. Procurement of goods or works, which are not covered in para (i) above and which are divisible in nature

i. If L1 is from a local supplier, the contract for full quantity will be awarded to L1.

ii. 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 local supplier's quoted price falling within the margin of purchase preference.

iii. In case such lowest eligible local supplier fails to match the L1 price, 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.


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- b. Procurement of goods or works, which are not covered in para (i) above and which are not divisible in nature and in procurement of services where the bid is evaluated on price alone,
- i. If the L1 bid is from a local supplier, the contract will be awarded to L1.
 - ii. If the L1 is not from a local supplier, the lowest bidder from among the local suppliers, the contract shall be awarded to such local supplier subject to matching the L1 price.
 - iii. 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.
 - iv. 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.

c. Exemption of small purchases:

Small purchase 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 the procuring entities that procurement is not split for the purpose of avoiding the provisions of this order.

d. Local supplier:

Local supplier means a supplier or service provider whose product or service offered for procurement meeting the minimum local content as prescribed under this order or by the competent Ministries/Departments in pursuance of this order.

e. Minimum local content:

The minimum local content shall ordinarily be 50%. The Nodal Ministry may prescribe a higher or lower percentage in respect of any particular item and may also prescribe the manner of calculation of local content.

f. Margin of Purchase Preference:

The margin of purchase preference shall be 20%.


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g. Requirement of specification in advance:

The minimum local content, the margin of purchase preference and the procedure 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.


h. Government E-Marketplace:

In respect of procurement through the Government E-market place (GeM) as far as possible, specifically mark the items which meet the minimum local content while registering the item for display and shall wherever feasible make provision for automated comparison with purchase preference and without purchase preference and for obtaining consent of the local supplier in those cases where purchase preference is to be exercised.

There are some other conditions to be observed in implementing the above provisions are also available in the order.

Accordingly, all HODs has to necessarily follow the procurement procedure alongwith Government order on the subject as stated above and necessary amendment to the Standard Tender Document may also be done. MEE Department may kindly include this as a part of procurement manual of the Port.

This issues with the approval of Chairman/VOCPT.


Financial Adviser and
Chief Accounts Officer

To

All Heads of Department

Copy to:

1. PA to Dy.CPT
2. PA to CPT
3. PS to CVO