

DELHI JAL BOARD: GOVT OF NCT OF DELHI
OFFICE OF THE CHIEF EXECUTIVE OFFICER
VARUNALAYA PHASE-II
JHANDEWALAN: NEW DELHI-110005

No. F-81/DJB/CE(Dr)P-I/2012/ 3146

Dated 16/8/12

In order to ensure a transparent and predictable bidding environment in Delhi Jal Board, and that promotes competition, the following decisions are hereby taken:

1. **Standard Tender Documents for EPC/ DBO Projects:** All Divisions would use DJB's standardized documents for General Conditions of Contract, and for General, Technical and Financial eligibility criteria for all Item Rate, Percentage Rate Tender, EPC and DBO projects costing > ₹ 3 crore. Accordingly, for all works with estimated cost > ₹ 3 crore, open tendering would be undertaken and to that extent DJB registered contractors would be treated at par with other bidders for such projects. Even for works costing ≤ ₹ 3 Crore, all Divisions are encouraged to use DJB's standard tender documents. For deviations, if any, from standardized documents, specific approval would be taken from concerned Member (Technical), Member (Finance) and CEO, DJB.

(Action 1: All CEs /Directors)

2. **Lowest Life Cycle Cost Principle:** The contracts would be awarded on lowest life cycle (LLC) cost principle wherein overall project cost, including Capex + Opex + Energy + Spares+ Land etc. over a period of 15 years would be evaluated (Model Excel sheet may be downloaded from DJB web-site) and emphasis would be given to open technology procurement, with output parameters monitored against pre-specified Key Performance Indicators. Even for EPC procurement of works/ E&M supplies, life cycle cost for atleast 3 years duration would be taken into account.

Further, to ensure that LLC actually delivers in practice, no change of command area (disturbs most efficient duty point of pumps in terms of 'Head' & 'Discharge' that are fixed on basis of hydraulic modeling – use of currently in vogue WaterGems/ SewerGems software for the purpose has already been mandated) would be allowed from initial, unless there are urgent and compelling reasons, and all concerned from Civil and E&M side are taken in confidence and accordingly necessary adjustments made. To prevent shift of command area projected requirements such as population rise, etc. would be duly incorporated while designing the capacity and most efficient duty point of E&M equipments. Specific approval of concerned Member (Technical) will be taken for change of command area.

(Action: All CEs /Directors)

3. **Reverse Auction:** Delhi Jal Board to implement reverse auction in atleast 6 to 10 projects costing > ₹ Rs.10 Cr as per DJB's Standard Operating Procedure (SOP) (annexed). This would include projects of different categories. Project selection would be done in consultation with DJB's Finance wing. An assessment of the savings achieved through reverse auction will be done at end of the year. An independent expert agency shall be appointed to train all the concerned officials and bidders regarding Reverse Auction.

DOV
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16/8/12

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EPC (V)
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EE (V) Civil

(Action: All CEs/ Directors)

4. **Price Negotiations:** Price negotiation will not be held with L-1 bidder if quoted price 'P' is > 1.25 times the Justified Rate (JR) in first call of tender. However, if JR preparation is not possible and basis for comparison is Suggestive Cost (SC), the SC would be first firmed up by the Sub-Technical Committee (STC), in its very first meeting, after receipt of bids to ensure that no element within Scope of Work has been left out in preparation of SC. If still $P > 1.25 * SC$, no price negotiations would be held. If $P \leq 1.25 * JR/SC$, the negotiation would be done with L1 to bring down P within JR/SC. However, if it is not first call of tender, price negotiation may be held with L-1 bidder even if $P > 1.25 * JR/SC$, to bring the same within JR/SC. In exceptional cases, for reasons to be recorded in writing, P up to 1.05 times JR/ SC could be accepted with prior concurrence of CEO. Further, to ensure fair comparison of awarded prices across DJB, copy of work order issued by a Division would be marked to all other Divisions.

(Action: All CEs/Directors)

(Action: C.E.(Dr).P-I to appoint independent agency for reverse auction

Target Date: 15.09.12)

5. **Single Tender Case:** In case of receipt of single bid only, under open e-bidding route or when only one technically qualified bidder is left at end of such process, the price bid could be opened for evaluation and award of work. However, prior to opening the price bid, the Chief Engineer/ Director concerned would ascertain that the technical and financial qualification criteria is not overly strict or there is any unreasonable/unrealistic condition in the tender which prevented atleast 3 bidders being eligible to submit bids. Further, in this case, P would be negotiated (provided it is $\leq 1.25 * JR/SC$, in accordance with para 4 above) so that it is within JR/SC and the work awarded after taking approval of the next higher level. However, if it is assessed that the technical and financial qualification criteria was overly strict or there was any unreasonable/unrealistic condition in the tender which prevented atleast 3 bidders being eligible to submit bids, then bids would be recalled by relaxing those conditions). This would be in best interest of DJB since each recall leads to time induced cost escalation besides loss of opportunity cost from delayed realization of project benefits. Also, as mentioned above, to ensure fair comparison of awarded prices across DJB, copy of work order issued by a Division would be marked to all other Divisions.

(Action: All CEs/Directors)

6. **DJB's Schedule of Rate:** DJB would prepare its own Schedule of Rates for water and sewer projects.

(Action: Mem (WS)

Target Date for award of work: 30.09.12)

7. **Standard Tender Documents for PPP Projects:** DJB would standardize tender conditions for PPP projects.

(Action: CE(Dr)Pr-I)

Target Date 31.08.12)

8. **Training of Contractors:** Mandate training of contractors in Projects Management for seeking registration with Delhi Jal Board and tie-up all modalities in this regard.

(Action: CE(Dr)Pr-I)

Target Date 15.09.12)

9. **Seeking clarification post-receipt of tenders:** On opening of technical bids after receipt of tenders, it is often noticed that the documents submitted by bidders are either incomplete or inadvertently leave out a few critical documents that are vital to ensure that the bidder meets the technical, general and financial qualification criteria. Strictly speaking this is result of oversight/ careless attitude of bidders and bids could be rejected as 'non-responsive'. However, this stand may not be in best interest of DJB, since it qualifies only a limited number of bidders and/ or may even necessitate re-tendering in case no bidder qualifies. Re-tendering is associated with time-induced cost overruns besides loss of opportunity cost from delayed realisation of project benefits.

Hence, the concerned Chief Engineer/ Director may obtain clarifications on the documents submitted with the Technical bid by bidders to enable the bidders to complete incomplete documents, supply missing documents and/or withdrawal of conditions, if any, in deviation with the tender conditions. However, not more than 15 days would be given to bidders for this purpose. This will not put DJB to any disadvantage and / or accord any advantage to bidders. During seeking of clarification, bidder would not be allowed to contradict an already submitted document/ fact. The clarification will be sought only on conditions laid down in the tender documents, and in no case would any tender eligibility criteria be relaxed to make bidders eligible. The price bid would be opened only after Technical evaluation is completed and technically qualified bidders declared. No clarification would ever be sought on price bid or on any part of technical bid after the price bid is opened. The tender should clearly bring out the process of clarification. This shall initially apply to works having estimated cost \geq ₹ 50 lakhs.


(Action: All CEs/Directors)

10. DJB to send a copy of standard tender documents and SOP for reverse auction to CVC, CAG and MOUD, Government of India for comments/suggestions, if any.

(Action: CE(Dr)Pr-I)

Target Date 31.08.12)

The above decisions come into force with immediate effect. All earlier circulars of DJB in respect of above issues hereby stand superseded.



(Debashree Mukherjee)
Chief Executive Officer

1. Copy for immediate compliance to :
All Chief Engineers/Directors
 2. Copy for information to :
 - i) All Members, Delhi Jal Board
 - ii) CVO with request to bring it to immediate notice of CVC and CAG
- 11) All DBS/AS/ARs

Standard Operating Procedure: Reverse Auction

TERMS AND CONDITIONS OF REVERSE AUCTION

1. Bidding Methodology

The qualification cum technical Bids (in short called 'technical bids') of the Bidders who have submitted on-line Bids (submission of both qualification cum technical bids and financial bids is mandatory) on or before the due date and time of submission of Bid shall be evaluated. The bidders who qualify on technical Bids would be individually informed through email/letter/fax about the scheduled date and time of Reverse Auction. DJB will hold reverse auction only when technically qualified bidders are two or more. The decision to participate in reverse auction is voluntary on part of bidders but DJB would strongly recommend that the qualified bidders at least log on to the system and witness the process. This would eliminate any apprehensions about the process and enable all qualified bidders to make an informed decision on whether to participate in the reverse auction.

For participating in the Reverse Auction, Bidders are required to study the terms and conditions of Reverse Auction thoroughly.

The Bidders shall be required to pay the participation fee for the reverse auction process to the agency handling the auction process.

Internet based Reverse Auction shall be conducted by DJB on the specified date and time at a designated place.

2. Online Training

Reverse Auction Agency shall arrange to demonstrate/ train bidders' nominated person(s) at a place in New Delhi without any additional cost to the bidder. The bidder shall arrange its own accommodation, transport, air fare etc. at no extra cost to DJB.

The Reverse Auction Agency shall also explain the Business Rules related to the Reverse Auction along with Bidding Manual. Bidders are required to give their compliance on the same before the start of the bidding process as per Appendix - I

3. TERMS AND CONDITIONS FOR REVERSE AUCTION

- (I) **Schedule for Reverse Auction:** The duration of Reverse Auction shall be two hours. The date and time of Reverse Auction shall be intimated later to the technically qualified bidders.

(II) Auction Extension Time

- a. If any bidder places a Bid in the last 5 minutes of closing of the Auction, the Auction shall get extended automatically for another 5 minutes from the time of the last Bid placed. In case, there is no Bid in the last 5 minutes of closing of the Auction, the Auction shall be closed automatically without any extension.
- b. The above provision shall apply to the Bids in extended time also.

(III) Auction Process

- a. Each Bidder shall be assigned a Unique User Name and Password. The Bidder(s) is/are required to change their password and edit the information in the Registration page after receipt of Initial Password. All Bids using the login ID

given to the Bidder shall be deemed to have been submitted by the Bidder(s). During the Auction, Bidders shall be referred by proxy names such as B1, B2, B3 etc. and Bidder(s) true identity will not be disclosed.

- b. The bidding shall start with an opening price (justified rate/ suggestive cost of DJB) to be declared by DJB in the Reverse Auction site. The Bidders shall be able to bid only lower than the opening price but in multiples of the decrement value only. The decrement value would be a minimum of 0.05% of the opening price.
- c. The Bidder shall be able to view the auction details like opening price etc. 10 minutes before the start of the auction.
- d. Only one Bidder shall be at a particular position/ rank, which means one L1, one L2, one L3 and so on.
- e. During participation in the Reverse Auction and to facilitate submission of price by the Bidders, the Bidder(s) shall be able to view the following information on his computer screen in respective fields:
 - Bid Opening Price
 - Leading Bid in the Auction
 - Bid (Price) submitted by the Bidder
- f. A Bidder can continue to revise his own Bid price till the Auction ends.
- g. The Bidder cannot quote/ put price Bid equal to the Leading/ Lowest price Bid. The Bidder is always required to quote lower than the Leading/ Lowest price Bid.
- h. In case the reverse auction is not successful or is not held, the conventional price bids submitted as part of on-line bid submission earlier would be opened and form the basis for a decision on award of work. In case of a problem in reverse auction process, DJB may decide to repeat the reverse auction at another date and time to be intimated to the bidders.
- i. **LOWEST BID:** In the event there are more than one bids during the reverse auction, the lowest of them shall be considered as the final price Bid and subsequent to reverse auction the name of that bidder would be declared.
- j. Once the Reverse Auction is over, the lowest Bidder shall confirm in writing/ submit on the same day the lowest final Price Bid as quoted by it during the Reverse Auction, through fax, on its letterhead duly signed by the authorised signatory of the Bidder. The document shall contain name of the work, name of the project, Bidding document number, date of Reverse Auction and the final price. The price shall be addressed to and submitted to the Reverse Auction Agency as per Appendix II
- k. The break-up of final price (unit rates) shall be submitted as per Appendix-III

(iv) **BASIS OF BID PRICE:** The Bid price shall be based on the technical specifications and commercial agreed and accepted up to the date of Reverse Auction.

(v) **BIDDING CURRENCY:** The Bidder shall submit their price Bid during Reverse Auction in Indian Rupees (INR) only.

(vi) BREAK UP OF FINAL PRICE BID

- a. The successful Bidder(s) shall be required to furnish item wise break up of final price matching with the lowest price Bid quoted by them (if more than one price quoted) during the Reverse Auction as per Appendix-III.
- b. The item wise price break up shall be directly submitted to DJB. All the pages shall be signed and sealed (stamped) by the authorised signatory. The CD containing the electronic file shall also be submitted along with this price.
- c. The item wise price break up of the final price arrived at Reverse Auction shall be submitted within next working day during office hours after completion of the online event of Reverse Auction (hard copy with CD containing excel file. Bidder may be asked to send excel file containing item wise price as an advance copy through email also)

4. OTHER TERMS AND CONDITIONS

- a. The Bidder shall not involve himself or any of his representatives in Price manipulation of any kind directly or indirectly by communicating with other Bidder(s).
 - b. The Bidder shall not divulge either his price Bids or any other exclusive details of DJB/Owner to any other Party.
 - c. DJB's decision on award of Contract shall be final and binding on all the Bidders.
 - d. DJB at its sole discretion may extend, reschedule or cancel any Auction without assigning any reasons thereof. Any changes made by DJB after the first posting will have to be accepted if the Bidder continues to access the site after that time.
 - e. DJB shall not be legally or otherwise liable to the Bidders for any interruption or delay in access to the auction site irrespective of the reasons thereof.
 - f. DJB shall not be responsible for any indirect / consequential losses / damages, including but not limited to systems problems, inability to use the system, loss of electronic information etc.
 - g. DJB shall have the full liberty to cancel the entire Reverse Auction process/tender at any time, before award of the work, without assigning any reason thereof.
 - h. The Bidders shall quote their price from their home/ office/ any place of their choice. It shall be the Bidders' sole responsibility to ensure Internet connectivity at their place of participation in Reverse Auction. In extreme case of failure of internet connectivity (due to unforeseen circumstances other than power failure), communication shall have to be sent by the Bidder to DJB immediately by fax/ email after informing DJB telephonically the reason for Participation through fax/ email. DJB may also communicate with bidders in case of similar problems at its end. DJB at its sole discretion may extend the bidding time. The Bidders shall, however, not have any right to claim extension of auction period for any reason.
- 5. VALIDITY OF PRICE BID IN REVERSE AUCTION:** The price Bid submitted in the Reverse Auction shall be Firm and Fixed, and shall be valid for a period of 3 (Three) Months from the date of Reverse Auction or 6 (Six) Months from the final/extended date of submission of on-line Bids, whichever is later. The price Bid shall not be subjected to any change whatsoever.
- 6. POST AUCTION AWARD:** In case of successful event of Reverse auction, the lowest price bid obtained in the reverse auction would be compared with the conventional on-line price bids (on-line price bids would be opened subsequent to finalization on reverse auction process) and the lowest of them would form the basis for award of work. Thus, the work may be awarded to a bidder other than the one who quoted the lowest amount in the reverse auction process.
- 7. Negotiations:** If the total price of certain item rates quoted by the Lowest Bidder (considering optimum cost of project) is considered high, DJB may invite the

Lowest Bidder for price negotiation. Lowest Bidder shall attend such negotiation meetings and if requested by DJB, bidder shall provide the analysis of rates/ break-up of amount quoted by it for any or all items of Schedule of Rates to demonstrate the reasonability. As a result of negotiation, Bidder may offer overall rebate on his earlier quoted price or revise the item rates of high quoted price for which negotiation is held.

8. DJB shall award the work as per clause no. as stated in tender Vol..... Section
9. **APPLICATION OF REVERSE AUCTION CLAUSE:** The contents of the above Clause are applicable only when the DJB decides to carry out the reverse auction. In case reverse auction is not done, the above clause shall stand deleted.

APPENDIX -I

REVERSE AUCTION PROCESS COMPLIANCE FORM

(Letter to be sent in Bidder's Letter head, duly signed and stamped by authorized signatory holding Power of Attorney for this work)

Ref. No.: _____

Date: _____

The Executive Engineer
Delhi Jal Board
Room No. _____

New Delhi – 110055.

Name of work:
Name of Project:
Bidding Document No.:

Sub: AGREEMENT TO THE TERMS AND CONDITIONS OF REVERSE AUCTION

Dear Sir,

This has reference to the terms and conditions of the Reverse Auction provided to us in the Bidding document and/or issued vide Addendum No. _____ (strike out whichever is not applicable) for the Reverse Auction to be conducted for the above mentioned subject work by the said Reverse Auction Agency through Internet in the pre-defined website. We confirm the following:

1. That we have thoroughly studied and fully understood the terms and conditions, and Business rules governing the Reverse Auction and subsequent award of work as mentioned in the Bidding document and/or issued vide Addendum No. _____ <strike out as applicable> and we shall abide by these terms and conditions in totality without any reservation, objection, and deviation.
2. That we are satisfied with the training provided to our designated person(s) for participating in the Reverse Auction and we have understood the functionality of the same thoroughly.
3. That we shall reconfirm our final quoted price as per DJB Format through Fax to you immediately after the Reverse Auction is over.
4. That we shall subsequently submit our item wise (unit) break up of price matching the above final price as per DJB Format, duly signed and stamped in all pages by authorised signatory including the electronic (excel) file in a CD super scribing Bidder's name, name of work, bidding document no., Date of Reverse Auction etc., without any deviation and condition. The hard copy shall be the print out of the duly filled in electronic file.
5. That our price is inclusive of all taxes, duties etc. and other statutory provisions as defined in the Bidding document
6. That in the event of any deviations in technical bid, our price shall be evaluated ignoring the deviations presuming there is no deviation which shall be abide by us. We further confirm that in the event of deviation or withdrawal from the bidding process, our Bid is liable for rejection and our EMD may get forfeited by DJB as per provision of the Bidding document.

7. That the breakup of final price shall be opened by DJB in absence of our representative. We hereby reconfirm that we will honour the Price Bid(s) placed by us during the Reverse Auction process.

With regards

Signature with Company Seal
Name:

Company/ Organisation:
Designation within Company/ Organisation:
Address of Company/ Organisation:
Mobile No.:
Email:
Fax No.:

APPENDIX II

(Letter to be sent in Bidder's Letter head, duly signed and stamped by authorised signatory holding Power of Attorney for this work)

Ref. No.: _____

Date: _____

The Executive Engineer
Delhi Jal Board
Room No. _____

New Delhi – 110055.

Name of work: _____

Name of Project: _____

Bidding Document No.: _____

Sub: FINAL PRICE QUOTED DURING REVERSE AUCTION

Dear Sir,

We confirm that during the Reverse Auction conducted today for the above mentioned subject work, we have quoted the final price(s) as under:

Our price is inclusive of all taxes, duties etc. and other statutory provisions as defined in the Bidding document

We also confirm that we shall submit our item wise price break up (unit price) along with CD containing electronic file within a period of three working days to DJB, without any deviation.

Thanking you,

Signature with Company Seal
Name: _____

Company/ Organisation:
Designation within Company/ Organisation:
Address of Company/ Organisation:
Mobile No.:
Email:
Fax No.:

APPENDIX –III

(Letter to be sent in Bidder's Letter head, duly signed and stamped by authorized signatory holding Power of Attorney for this work)

Ref. No.: _____

Date: _____

The Executive Engineer
Delhi Jal Board

Jhandelwala,
New Delhi – 110055.

Name of work:
Name of Project:
Bidding Document No.:

Sub: BREAK UP OF FINAL PRICE QUOTED DURING REVERSE AUCTION

Dear Sir,

As a pre-condition of the Reverse Auction process accepted by us, which was conducted on _____ by _____ <Name of Reverse Auction Agency>, we are enclosing the following documents to you for our price Bid evaluation:

1. Break up of final prices (unit price) matching the price submitted in Reverse Auction, without any deviation/condition, duly signed and stamped in all pages by the authorised signatory.
2. The electronic (excel) file in CD (super scribing Bidder's name, name of work, bidding document no., Date of Reverse Auction)

We further confirm the following:

- (a) The hard copy of the breakup of final prices as stated in sl. No. 1 above is the print out of duly filled in excel file as stated in sl. No. 2 above, without any deviation.
- (b) Our price is inclusive of all taxes, duties etc. and other statutory provisions as defined in the Bidding document
- (c) In the event of any deviation, our price shall be evaluated ignoring the deviations presuming there is no deviations which shall abide by us without any protest/contest. We further confirm that in the event of deviation or withdrawal from the bidding process, our Bid is liable for rejection and our EMD may get forfeited by DJB as per provision of the Bidding document without any intimation to us.

Thanking you,

Signature with Company Seal
Name:
Company/ Organisation:
Designation within Company/ Organisation:
Address of Company/ Organisation:
Mobile No.:
Email:
Fax No.:

LET THE L1 PRICE AFTER REVERSE AUCTION (RA) IS - 'X'

PRICE SCHEDULE A - SUMMARY PRICE

		Item	Factor for calculation based on RA L1	Total Quoted Price (Lump sum) on Indian Currency (To be provided in figures as well as in words).
A.	Capital cost	Quoted price for Design, Supply, Construction, Erection, Installation, Testing, Commissioning, Tests after Completion including training during construction/ commissioning and handing over of the works as per Schedule B (All cost for (say, 21+3) months period for construction, testing and commissioning)	65% of X	Figures: Words:
B.	O & M Cost	All cost of Operation & Maintenance as per Schedule C. (for, say 15 years period of Defect Liability + O&M Period)	35% of X	Figures: Words:
		Total price (A + B)		Figures: Words:

Note: 65% is an indicative value – will depend on specific tender. The value would be indicated in tender document.

PRICE SCHEDULE – B - BREAK-UP OF CAPITAL COST

OUT OF 0.65X CAPEX – FOLLOWING ARE THE FACTORS TO CALCULATE THE BREAKUP

Item No.	Item Description	Factor for calculation based on RA L1	Amount (Rs.)
A	SEWAGE TREATMENT SCHEME		
1	Sewage Treatment Plant ; Drain diversion structure and Raw Sewage Pump Station ; Effluent channel and Boundary Wall and external lighting	98% of 0.65x	
a)	Civil Work	55% of (1) Cost	
b)	Mechanical Work, Electrical Work and Instrumentation Work	45% of (1) Cost	
2	Testing and Commissioning	2% of 0.65x	

PRICE SCHEDULE – C - BREAK-UP OF O&M COST

OUT OF 0.35X OPEX – FOLLOWING ARE FACTORS TO CALCULATE THE BREAKUP

		Lump Sum Price (O&M & DLP)									
Item No.	Description	1 st year (INR)	2 nd Year (INR)	3rd Year (INR)	4 th Year (INR)	5 th Year (INR)	6 th Year (INR)	7 th Year (INR)	8 th Year (INR)	9 th Year (INR)	10 th Year (INR)
A Fixed Part											
1.	Spare Parts, tools and tackles	5.66%	5.70%	5.74%	5.78%	5.82%	5.85%	5.89%	5.93%	5.96%	6.00%
2.	Cost of Manpower for O&M, Administration & Management including Security of sites, running office, staff quarters including training etc.										
3.	Cost of civil works, repair & maintenance including preventive maintenance.										
4.	Cost of electro-mechanical works repairs & maintenance including normal & routine maintenance, refurbishment of spare parts, general utilities etc.										
5.	Cost of updating O&M Manual										
6.	Estimated value of Custom Duty on imported components, if any										
7.	Estimated value of Sales Tax on work contract										
8.	Estimated CIF Value of the imported components, if any										
9.	Reserve fund for major maintenance & repairs										
10.	Cost of Laboratory Testing										
B Payment in proportion to volume of treated sewage											
11	Cost of chemicals for sewage treatment of 24889350 m3/yr	1.24%	1.25%	1.26%	1.27%	1.28%	1.29%	1.29%	1.30%	1.31%	1.32%
12	Transport & dispose the dewatered digested sludge at any locations of DJB site upto 30 KM.	0.63%	0.63%	0.63%	0.64%	0.64%	0.65%	0.65%	0.66%	0.66%	0.66%
13	Cost of Electrical Energy for sewage treatment of 24889350m3/yr	2.48%	2.43%	2.37%	2.32%	2.27%	2.22%	2.17%	2.12%	2.07%	2.02%

*- Note that electrical cost is increasing in absolute term; its % may be decreasing with respect to the total operating cost.

Note: % breakup would be given in tender itself and would help eliminate possibility of over-booking costs on any specific item.