

ANDHRA PRADESH POWER GENERATION CORPORATION LIMITED  
ABSTRACT

APGENCO - Tender Procedure - Mandatory implementation of Reverse Tendering in respect of procurement of Goods, Services and Works with value of Rs.1.00 crore and above – Adoption of orders of GoAP - Orders-Issued.

**G.O.O. No. 482/CGM (Adm, IS&ERP)/2020**

**Dated: 18.09.2020**

Read the following: -

1. G.O.Ms.No.67, Water Resources (Reforms) Department, dt.16.08.2019.
2. G.O.Ms.No.271, Municipal Administration & Urban Development (UH) Department, dt. 16.10.2019.
3. G.O.Ms.No.272, Municipal Administration & Urban Development (UH) Department, dt 16.10.2019.
4. Meeting chaired by Hon'ble Chief Minister on "Initiatives taken by the Government of Andhra Pradesh in Curbing Corruption-Status and Way Forward", held on 24.08.2020.
5. G.O.MS.No.79 Dt:.25.08.2020 issued by FINANCE(HR.V-TFR) DEPARTMENT, Govt. of A.P

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**ORDER:**

In the G.O 1<sup>st</sup> read above, the Government of Andhra Pradesh have issued the modalities of the "tender-cum-reverse auctioning process" or "reverse tendering" process & in the G.O. second read above, the Government have permitted the APTIDCO, to adopt the orders issued vide the G.O. first cited, for works relating to APTIDCO with certain modifications.

2. In the meeting, held in the reference fourth cited, the Hon'ble Chief Minister has reviewed implementation of the reverse tendering procedure & duly considering the transparency brought in by the procedural change & the significant savings accrued to the public exchequer decided to deepen the initiative.

3. Accordingly, the Government of Andhra Pradesh have ordered that the adoption of reverse tendering procedure shall be mandatory in respect of procurement of the Goods, Services and Works with a value of Rs. 1.00 crore (Rupees one crore) and above, as per the guidelines to be issued by the Finance Department, vide G.O 5<sup>th</sup> cited.

4. After careful consideration, APGENCO hereby directs that the orders issued by Government of A.P regarding adoption of reverse tendering procedure shall be mandatory in respect of procurement of the Goods, Services and Works with a value of Rs. 1.00 crore (Rupees one crore) and above.

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5. The above orders shall come into force with immediate effect & are applicable to Head Quarters and all the Generating Stations of the APGENCO. The Station Heads and Functional Heads of the departments in Head Quarters are requested to take action as per the above orders.

(BY ORDER AND IN THE NAME OF THE APGENCO)

**B. SREEDHAR**  
**MANAGING DIRECTOR**

To

The Executive Director/Civil/VS/VJA  
The Chief General Manager/VS/VJA  
All Chief Engineers/APGENCO  
All Financial Advisor & Chief Controllers of Accounts/APGENCO  
All Superintending Engineers/APGENCO

Copy to the:

P.S to the Chairman /VS/VJA  
P.S to the Managing Director / VS/VJA  
Dy.EE(Tech.)/SAO to All Directors/ VS/VJA  
DS to the Principal Secretary(Energy)/Govt. of AP/AP Secretariat-2<sup>nd</sup> Block/  
Velagapudi-522 503.  
Stock file.

C.No.CGM(Adm,IS&ERP)/DS(E)/AS(Reg)/PO(PNT&Reg)/62/2020

// FORWARDED :: BY ORDER //

*J. Palani*  
PERSONNEL OFFICER

**GOVERNMENT OF ANDHRA PRADESH  
ABSTRACT**

Finance Department – Tender Procedure – Mandatory implementation of Reverse Tendering in respect of procurement of Goods, Services and Works with value of Rs.1.00 crore and above – Orders – Issued.

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**FINANCE (HR.V- TFR) DEPARTMENT**

**G.O.MS.No. 79**

**Dated: 25-08-2020.**

**Read the following:-**

1. G.O.Ms.No.67, Water Resources (Reforms) Department, dated 16-08-2019.
2. G.O.Ms.No.271, Municipal Administration & Urban Development (UH) Department, dated 16-10-2019.
3. G.O.Ms.No.272, Municipal Administration & Urban Development (UH) Department, dated 16-10-2019.
4. Meeting chaired by Hon'ble Chief Minister on "Initiatives taken by the Government of Andhra Pradesh in Curbing Corruption-Status and Way Forward", held on 24-8-2020.

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**ORDER:**

The Government of Andhra Pradesh is committed in it's endeavour of ensuring transparency and accountability in the delivery of public services and has taken several steps in this direction.

2. As part of the aforesaid objective, two major initiatives of the Government pertaining to "judicial review" and "reverse tendering" have brought about a paradigm shift in the procurement of works & resulted in substantial savings to the Government.
3. The Government, in the G.O. first read above, have issued the modalities of the "tender-cum-reverse auctioning process" or "reverse tendering" process & in the G.O second read above, the Government have permitted the APTIDCO, to adopt the orders issued vide the G.O. first cited, for works relating to APTIDCO with certain modifications.
4. In the meeting, held in the reference fourth cited, the Hon'ble Chief Minister has reviewed implementation of the reverse tendering procedure & duly considering the transparency brought in by the procedural change & the significant savings accrued to the public exchequer decided to deepen the initiative.
5. Accordingly, Government hereby order that the adoption of reverse tendering procedure shall be mandatory in respect of procurement of the Goods, Services and Works with a value of Rs. 1.00 crore (Rupees one crore) and above, as per the guidelines to be issued by the Finance Department. Necessary changes shall be made in Treasury Code.

(P.T.O.)

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6. The above orders shall come into force with immediate effect & are applicable to all the Departments, Public Sector Undertakings, Societies, Universities, Local Bodies and all other Institutions of the Government of Andhra Pradesh.
7. The Managing Director, A.P.T.S., shall make necessary arrangements in the e-procurement platform to enable the reverse tendering process for procurement of all Goods, Services and Works.
8. The CEO, APCFSS shall make necessary changes in processing of payments relating to Goods, Services and Works, with a value of Rs. 1.00 crore and above (Rupees one crore) & ensure that no payments are made if the reverse tendering process is not adopted & bring the violations to the notice of the Finance Department.
9. All the Secretaries to Government/CEO, APCFSS/Director of Treasuries & Accounts/ Director of Work Accounts/MD, APTS/Heads of Departments/Heads of Public Sector Undertakings, Societies, Universities, Local Bodies & all other Institutions of the Government of Andhra Pradesh are requested to take action as per the above orders.
10. A copy of the order is available at <https://goir.ap.gov.in>.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

**SHAMSHER SINGH RAWAT**  
**PRINCIPAL SECRETARY TO GOVERNMENT**

To  
All the Departments of Secretariat.  
All the Heads of the Departments.  
The Managing Director, APTS  
Copy to:  
The Secretary to the Hon'ble Chief Minister

//FORWARDED :: BY ORDER//

SECTION OFFICER

GOVERNMENT OF ANDHRA PRADESH  
ABSTRACT

Water Resources Department – Modalities to be implemented on Tender-cum-reverse auctioning process or Reverse tendering process for the ongoing works and tendering process for fresh works –Orders – Issued.

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WATER RESOURCES (REFORMS) DEPARTMENT

G.O.MS.No. 67

Dated: 16-08-2019.  
Read:

1. From the Chairman, Board of Chief Engineers (BoCEs) & Engineer-in-Chief (Admin.), Water Resources Department, Vijayawada  
Dated: 26.07.2019.

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ORDER:

In the reference read above, the Chairman, Board of Chief Engineers (BoCEs) & Engineer-in-Chief (Admin.), Water Resources Department, Vijayawada has submitted the minutes of Board of Chief Engineers meeting held on 22-7-2019 in which they have recommended Government modalities to be implemented in the process of tender-cum-Reverse Auctioning process or Reverse Tendering process .

2. Government, after careful examination approve the following recommendations of the Board of Chief Engineers for implementation in the process of tender-cum-Reverse Auctioning process or Reverse Tendering process :

- i) The guidelines are intended to be applicable for contracts where the Government is desirous of discovering a fair price through a competitive bidding process for the execution of ongoing projects. In this process it should be ensured that the prevailing terms and conditions of the contract remain unchanged besides a seamless transfer of responsibilities between the Contractors/ Agencies.
- ii) Before initiating the process of tender-cum-reverse auctioning for ongoing works for which agreements are in force, invariably the agreement should be terminated under appropriate clause of agreement as there is every chance of existing contracting agencies raising objections for fresh reverse tendering process when their agreements are in force. In this regard, legal opinion may be obtained, if required, before initiating the termination of the existing agreement for avoiding legal complications.
- iii) After terminating the existing work, the estimated value of the balance work have to be prepared with the original agreement rates which will become the Initial Bench Mark (IBM) value / Estimated Contract Value (ECV) on which tender-cum-E Auction (reverse tendering) shall be proceeded. It should be existing agreement value minus value of work done that would become the ECV of Reverse bidding.
- iv) The prequalification criteria may be revised suitably as per standard guidelines stipulated in G.O. Ms. No. 94, I&CAD (PW Code) Dept. Dt. 01.07.2003 to ensure larger participation.
- v) Restriction clause like Registration in Andhra Pradesh may be relaxed. JV as well as MoU with combined bid capacity may be encouraged to ensure larger participation.

(PTO)

- vi) If sufficient competition is not expected, feasibility of splitting-up/clubbing the balance work terminated from original agency into smaller/larger packages can be examined to encourage more number of bidders.
- vii) The existing contractor may also be given a chance to participate in the tender-cum-reverse auctioning process.
- viii) Pre-qualification criteria i.e., a pre-determined threshold for the technical and financial criterion shall be finalized by the department considering the "balance work" of the terminated contract.
- ix) All bidders shall self-declare their details under each technical and financial criterion on the e-procurement platform along with an undertaking confirming their compliance with the technical and financial criterion prescribed in the bid document.
- x) All bidders shall submit supporting documents for their submittals under each technical and financial criterion. In case of documents found to be defective, incorrect or forged and therefore claim of qualification is not supported, severe action including forfeiture of EMD shall be taken.
- xi) The existing online e-procurement system shall be revamped in a such a way that the system should be able to filter the qualified bidders and enable them to quote their price bids and also allow them to participate in e-auction process.
- xii) The threshold values of Technical and Financial qualification as prescribed by the department shall be displayed to the bidders on the screen of online e-procurement site. The bidders have to submit their details of qualification criterion in prescribed text boxes along with their self-declaration on the fulfilment of qualification criterion prescribed. The system automatically evaluates the qualification details uploaded by the bidders and enable the qualified bidders only to quote for their price bid in the prescribed box for the work.
- xiii) All bidders satisfying pre-qualification criterion as per their submittals and self-declaration on e-procurement site shall quote their price offer.
- xiv) The Price bids of all the bidders shall be opened and the lowest quoted price bid among the qualified bidders in the tender process shall be determined.
- xv) To conduct the reverse tender process at least two bidders would be required.
- xvi) The L1 Price Offer (Initial) shall be the maximum allowable Bid price for the reverse tendering process.
- xvii) Only one round of reverse tendering shall be carried out in which bidders can revise their bids multiple times within the time limits specified.
- xviii) At the start of the Reverse Tendering process the Maximum Allowable Bid Price will be set and bidders shall submit their bids in an online platform.
- xix) Names of the bidders / vendors shall be anonymously masked in the Reverse Tendering process and vendors will be given suitable dummy names.

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- xx) The initial period of the Reverse tendering process will start after 3 hours, following which there will be auto extensions of time by 15 minutes in case of any reduction in bids recorded in the prior 15 minutes.
- xxi) Only the current L1 bid shall be visible to all bidders who may revise their bids until the end of the process.
- xxii) Decrements made in each subsequent bid shall not be less than 0.5% of the IBM/ECV uploaded.
- xxiii) The L1 bid may be determined following a period of inactivity of more than 15 minutes of reverse bidding after the initial 3 hour period after closure of the main bidding.
- xxiv) Following the determination of the L1 bid, the L1 bidder's supporting documents under each technical and commercial criterion shall be verified. The reverse tendering process shall be on hold for a maximum period of 24 hours (1 day) while the L1 bidder's supporting documents are verified.
- xxv) Upon successful verification of the L1 bidder's supporting documents, the reverse tendering process shall be closed declaring the L1 bidder as "successful bidder" and the remaining bidders in the process shall be notified as "unsuccessful" and their respective EMDs shall be refunded.
- xxvi) In case there are discrepancies between the L1 bidder's declarations under the technical and financial criteria and the supporting documents submitted, the L1 bidder shall be disqualified, his EMD shall be forfeited, he will be removed from the reverse tendering process and the remaining bidders shall be notified of the date and time when the reverse tendering process shall be resumed.
- xxvii) The reverse tendering process shall be resumed with the L2 price as the Maximum Allowable Bid Price.
- xxviii) Only 15 minutes shall be initially allowed for the remaining bidders to revise their bids, subject to automatic extensions of 15 minutes in case of any reduction in bids recorded in the prior 15 minutes.
- xxix) The reverse tendering process shall continue until the determination of a successful bidder.
- xxx) The above conditions are for cancelled bids, but with modifications this can be used for fresh works also.
- xxxi) Government in Water Resources Department is competent to issue any clarification if required. All works departments may adopt the above procedure of reverse tendering.

3. This order issues with the concurrence of Finance Department Vide their U.O.No.FIN01-FMU0ASD(WR1)/105/2019, Dated: 13.08.2019.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

ADITYANATH DAS  
SPECIAL CHIEF SECRETARY TO GOVERNMENT

To  
The Engineer-in-Chief(Admn.), Water Resources Department, Vijayawada.  
All Departments of Secretariat.  
All concerned Engineer-in-Chiefs/ Chief Engineers through Engineer-in-Chief  
(Admn.), Water Resources Department.

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The Director of Works and Accounts, Andhra Pradesh, Ibrahimpatnam,  
Vijayawada.

The Director of Treasuries and Accounts, Andhra Pradesh, Ibrahimpatnam,  
Vijayawada.

The Pay and Accounts Officer, Andhra Pradesh, Ibrahimpatnam, Vijayawada.

Copy to :

The Private Secretary to Hon'ble Chief Minister.

The Private Secretary to Hon'ble Minister, Water Resources Department.

The Private Secretary to Chief Secretary to Government.

The Private Secretary to Secretary to Government, Finance Department.

The Private Secretary to Special Chief Secretary to Government, Water  
Resources Department.

// FORWARDED :: BY ORDER //

SECTION OFFICER.