ON-LINE BIDDING PROCEDURE

**Tender Reference No.**
VSP-xxxx of 20XX-XX dtd. xx.xx.XX.

**REQUIREMENT of SPECIFICATION:**
CIVIL/STRUCTURAL WORK FOR

RINL plans to finalize this tender through Online Competitive Price Bidding, i.e Reverse Auction as detailed below:

1.0 The vendors are required to submit their offers (including sealed price bid) complete in all respects along with the necessary supporting documents as mentioned in the tender notice on or before the due date of submission of tender.

2.0 All the terms and conditions including technical specifications and commercial points as mentioned in the tender documents are to be adhered to.

3.0 RINL will evaluate the offers submitted by the firms and the techno-commercially qualified firms will be allowed to participate in the online competitive bidding (Reverse Auction) process.

4.0 The detailed process for online bidding is explained below:

   The online bidding event will be conducted in two stages.

   **STAGE -I** Online Sealed Bidding (on Contract Price (Net of CENVAT & ITC on APVAT basis))

   **STAGE –II** Reverse Auction on Start Bid Price of Stage-I

4.1 RINL will intimate all the techno-commercially qualified tenderers to nominate their authorized representatives to participate in the online bidding process and submit the duly filled in Annexure-1 of this document, within three days from the date of issue of such intimation.

4.2 RINL will thereafter upload the bidding details such as Technical specification, GCC & SCC, Instructions regarding quote sheet, applicability of CENVAT credit on service tax, ITC on APVAT, Minimum decrement, On line Bidding Procedure etc and issue the schedule of online bidding event as per Annexure-6 of this document. Login Id & password shall be generated by tenderers themselves and use the same login Id (furnished vide Annexure-1 of this document) for gaining access to the online bidding.

4.3 Prior to the commencement of online bidding event, techno-commercially qualified tenderers will be allowed to view the Bidding details such as item specifications, bidding rules. The purpose is also to familiarize participants with the functionalities and screens of the Bidding mechanism. However, it is not mandatory for RINL to provide Preview Time.

4.4 Demonstration of bidding (On-line) process will also be provided, on the request of tenderer(s), to enable tenderer(s) to fully understand the process of bidding On-line.

4.5 **STAGE I of on line competitive bidding:**

   At scheduled time, the screen for On-line bidding will be launched wherein the techno-commercially qualified bidders will be allowed to login with their own Login Id & password and submit their best offers through online sealed price bids.
4.6 During the Stage-I online sealed bidding, the bidders will have to quote the Total Contract Price including all taxes and duties inclusive of Service tax & Education cess thereon, the amount of cenvatable service tax & Education cess thereon and ITC on APVAT (if applicable for the subject work) included in the Total Contract Price.

Tenderers shall note that, if Service tax is not cenvatable and/or RINL is not entitled for ITC on APVAT for a particular work, tenderers will be communicated accordingly and Contract Price (Net of CENVAT & ITC on APVAT) shall be arrived at by deducting Cenvatable service tax & Education cess thereon and/or ITC on APVAT as per applicability. However, tenderers would be still required to indicate the Service Tax and Education cess thereon included in the total contract price inclusive of all taxes and duties including service tax and education cess thereon.

4.7 **Method of Eliminating bidder(s) from participating in Stage II:**

After the expiry of the time for submission of online sealed price bids, the lowest Contract Price (Net of CENVAT & ITC on APVAT) will be frozen as the Start Bid Price (SBP) for Stage-II online bidding.

Prior to commencement of Stage II online bidding, Techno commercially qualified bidder(s) participating in Stage I online bidding event may be eliminated from participating in Stage II online bidding event as per any of the following methods:

a) The bidder(s) with highest quoted price (Net of CENVAT & ITC on APVAT) in Stage I online bidding

OR

b) If the highest quoted price (Net of CENVAT & ITC on APVAT) of the bidder(s) is found to be higher than 10% with respect to the second highest quoted price (Net of CENVAT & ITC on APVAT) in Stage I online bidding event.

The method of eliminating eligible bidder(s) from participating in Stage II online bidding event shall be decided on case to case basis and the same shall be communicated to the bidder(s) concerned, prior to the commencement of online bidding event.

After the completion of the Stage I online bidding event, an e-mail shall be automatically sent to the eliminated bidder(s) concerned prior to the commencement of stage II online bidding. Tenderers shall note that, Mode of elimination of bidders referred at point a) and b) above are generally abbreviated as “H1 elimination” and “H1-H2>10%” respectively.

4.8 **STAGE II of online competitive bidding:**

In Stage II of the online competitive bidding, computer screen will display Start Bid Price (i.e., the lowest Contract Price (Net of CENVAT & ITC on APVAT) received from Stage-I and the corresponding Total Contract Price inclusive of all Taxes and duties inclusive of Service tax & education cess thereon, service tax & education cess thereon and ITC on APVAT (if applicable) included in the Total Contract price.

4.9 Start Bid Price can be reduced by a value greater than or equal to the specified minimum decrement value by the tenderers in Stage-II of online bidding. Tenderers will be able to see their Best Bid as well as Current L-1 bid at any given point of time (by
pressing F5 on the key board to Refresh the screen) based on which they can offer their best quote.

4.10 Authorised representatives of all techno commercially qualified tenderers having Login Id and password can view the bidding on the computer screen and also enter their bids any number of times during the duration of bidding.

4.11 **Auto Extension Time:**

4.12 There would be an auto extension of bid time in case bids are placed during last five(5) minutes of the indicated bid closure time. The auto extension rule will extend the bid time by a period as detailed below, till bids continue to get placed or RINL decides to terminate the Bidding. The auction extension time is as follows:

<table>
<thead>
<tr>
<th>Remaining Time in Minutes</th>
<th>Extension Time in Minutes</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.00 to 4.01</td>
<td>1.00</td>
</tr>
<tr>
<td>4.00 to 3.01</td>
<td>2.00</td>
</tr>
<tr>
<td>3.00 to 2.01</td>
<td>3.00</td>
</tr>
<tr>
<td>2.00 to 1.01</td>
<td>4.00</td>
</tr>
<tr>
<td>1.00 to 0.01</td>
<td>5.00</td>
</tr>
</tbody>
</table>

The Extension Time is added to the current closing time of the auction. After extension, the remaining time shall be at least 5.00 minutes and at the most 5.59 minutes.

If there are no bids in the auction for the last five minutes of the bid closing time, then the auction is closed.

4.12 RINL however reserves the right to change the **Auto Extension Time** under intimation to the tenderers concerned.

4.13 After the winning bid, (i.e the final L1 Contract Price Net of CENVAT & ITC on APVAT) is received, the percentage **premium** (i.e., % of Total Contract price including all taxes and duties excluding service tax and education cess thereon higher than the estimated cost including all taxes and duties excluding service tax and education cess thereon) or **discount** (i.e., % of Total Contract price including all taxes and duties excluding service tax and education cess thereon lower than the estimated cost including all taxes and duties excluding service tax and education cess thereon) will be uniformly applied over all the items / components in the bill of Quantities, e.g if the winning bid is 5% discount, then 5% discount will be applicable uniformly on all items in the Bill of Quantities.

5.0 **Instructions to Tenderers:**

5.1 The key features for participation in an online bidding are given below:

i) All Tenderers shall nominate a person who will be authorized to participate in On-line bidding event and submit the details as per Annexure-I, within three days from the receipt of intimation from RINL. Tenderers shall have their own Login Id & password for participating in the online bidding event.

ii) All Tenderers are advised to quote from a reliable Internet facility, as RINL would not be responsible for any failure in the Internet connectivity during the bidding.
iii) RINL will explain the online process to the prospective Tenderers and clarify issues, if any, if they so desire. However, it will be the responsibility of the tenderers to get themselves fully acquainted to their satisfaction with the On-line bidding process by interacting with RINL and participate in the On-line bidding process, only thereafter.

iv) Contact details of the representatives of Project Contracts dept and IT dept of RINL are as follows:

<table>
<thead>
<tr>
<th>IT dept</th>
<th>Project Contracts dept</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr SUMAN DAS, AGM(IT)</td>
<td>Name of the Dealing Officer:</td>
</tr>
<tr>
<td>Information Technology dept,</td>
<td>Designation:</td>
</tr>
<tr>
<td>Mobile no. 9963199639</td>
<td>Project Contracts dept,</td>
</tr>
<tr>
<td>E-Mail Id: <a href="mailto:sumandas@vizagsteel.com">sumandas@vizagsteel.com</a></td>
<td>Mobile no.</td>
</tr>
<tr>
<td></td>
<td>Fax No. 0891 2518764</td>
</tr>
<tr>
<td></td>
<td>E-mailId: <a href="mailto:hod_projcont@vizagsteel.com">hod_projcont@vizagsteel.com</a></td>
</tr>
</tbody>
</table>

v) Once the on line bidding process is started, requests from tenderers for cancellation/re-scheduling of the bidding event shall not be entertained under any circumstances.

vi) Bids received by RINL’s Server within the ‘Duration of the on line bidding process’ as defined at Annexure-3, shall only be considered as valid bids for processing them and determining the ranking of the bidders.

vii) Tenderers shall note that the last quoted prices available in the RINL’s server shall only be considered for processing them and to determine the ranking of the bidders, irrespective of whether the said prices are submitted by the bidders as per Annexure-5 of the standard on line bidding procedure or not.

**5.2 Terms & Conditions:**

5.2.1 Definition of Key Terms of online Bidding is given in **Annexure – 3** and General Terms and Conditions are given in **Annexure - 4**.

5.2.2 RINL, in its sole discretion, unconditionally and without having to assign any reason, reserves the right:

   a) To accept or reject the lowest offer or any other tender or all the tenders.

   b) To disallow the eligible bidder(s) of Stage-I from participating in the Stage-II online bidding as per para 4.7 above.

   c) To cancel or reschedule online Bidding event prior to its commencement, when confirmed Tenderers are insufficient to conduct the event.

   d) **Once the process of on line bidding is initiated, Price bids submitted by tenderers initially along with their offers shall not be opened.** However, in case online bidding is not conducted, RINL reserves the right to open the Sealed Price Bid(s) submitted along with the tender documents and process the tender as per conventional tendering procedures of RINL.
ANNEXURE - 1
(To be submitted on Supplier's Letter Head)

Format for Acceptance of Commercial Terms, General Terms and Conditions and all other Terms of the Tender

We ___________________________________________________________ having registered office at
_____________________________________________________________________________
(Address)
(Name of the tenderer)

agree to all the Commercial, General & other Terms & Conditions listed in the Tender Enquiry No. ......................for ..........................................................through On-line Bidding.

We confirm that we are in a position to mobilize resources and execute the work as per the specification given in tender documents. We have also understood the online bidding Process and the Bidding rules and special instructions given in the Enquiry. We agree to participate in the online event and abide by the rules. We hereby nominate our representative who is authorized to bid on our behalf, as per details given below,

The details of the authorised representative to bid on our behalf is as follows.

Name & Designation:
e-mail ID : 
Contact phone nos. : 
Address : 
Login Id : 

(Signature & Seal)
Place: 
Date:
Annexure – 2

REQUIREMENT SPECIFICATION

The detailed Scope of Work and the requirement are given in the Technical Specification and Bill of Quantities which the tenderer has to refer along with the other relevant tender documents.

The tenders have to quote considering all the items mentioned in the Bill of Quantities / Price Schedule document enclosed along with the tender documents.

*All terms and conditions are as per the Tender documents consisting of Detailed Notice Inviting Tender, Instructions to Tenderers (ITT), General Conditions of Contract (GCC), Special Conditions of Contract (SCC) and Technical Specification unless otherwise stated.*
ANNEXURE - 3

Definition of Key Terms – On-line Bidding

**Procurement:** Procurement refers to a forum where the requirement for one/more lots of an item/work is stated and the participants are required to bid down the price to be selected to meet RINL’s requirement as per the agreed Technical Specification of the tender.

**On-line Procurements:** On-line Procurements refer to those Procurements conducted through the Internet with simultaneous bidding (from one or more locations). In other words, the venue for the Bidding is on an Internet website/platform. RINL’s website (http://www.vizagsteel.com) or any other URL assigned by RINL would constitute the venue for the purpose of the On-line Bidding.

**Award at the Procurement:** The Tenderer quoting the lowest Contract Price (net of CENVAT & ITC on APVAT) is normally allotted the item/work unless otherwise specified by RINL.

**Tenderer:** For the limited purpose of online bidding, Tenderer shall mean the individual/business entity participating in the Procurement, who are techno-commercially qualified as per terms and conditions of the tender, intending to supply and execute the item(s)/work to RINL by providing consent online to the General Rules and Regulations.

**Auction Engine:** Auction Engine refers to the software that encapsulates the entire auction environment, processing logic and information flow. RINL is the sole owner of the auction engine and retains exclusive rights over the utilisation of the same.

**Start Time:** Start time refers to the time of commencement of the conduct of the On-line Bidding. It signals the commencement of the Price Discovery process through competitive bidding.

**Duration of the online Bidding Process:** It refers to the length of time the price discovery process is allowed to continue by accepting bids from competing Tenderers. The duration of the bidding process would normally be for a pre-specified period of time. However, the bidding rules may state the conditions when the pre-specified duration may be extended/curtailed. The conditions include:

- Curtailment of Bidding duration in the event of no bids for a specified period of time (Inactivity Time)
- Automatic extension in the event of bids being entered towards the end of the scheduled duration to facilitate the other Tenderers to view and react to the bid.

**Auto Extension of the Bidding Timings:** In the event of bids in the last few minutes of the scheduled bid time, the Bid Timings are automatically extended for a specified period from each such bid. Such Auto Extension shall continue until no bids are placed for the specified period (Engine remains inactive for the specified period). The Inactivity Time for Auto Extension purpose is normally 5 minutes. RINL however reserves the right to change the same. The Inactivity Time applicable for the particular On-line Bid shall be communicated to the Tenderer if it is changed to a value other than 5 minutes.

**End of the Procurement:** End of the Bidding refers to the termination of the Bidding proceedings signaling an end to the price discovery process.

**ID and Pass Word** Tenderers shall generate their own Login ID & password for participating in the Bidding.
Start Bid Price – Start Bid Price is the Contract Price (Net of CENVAT & ITC on APVAT) generated from stage I of the on line bidding event. Tenderers have to quote a price lesser than the Start Bid Price for participating in the stage II on line Bidding.

Minimum Decrement - Minimum decrement will be the minimum absolute value as specified by RINL, the Tenderer has to reduce in order to beat a higher bid. For example, if the current L1 bid is Rs. 10 lakhs and Minimum decrement Value is specified as Rs.10,000/-, the next valid bid has to be at least Rs.10,000/- less than the current L-1 bid on Net of CENVAT & ITC basis.

This minimum decrement shall be pre-decided by RINL and will be in-built in the Auction Engine.
Introduction:

The General Rules and Regulations provided herein govern the conduct of On-line Biddings. These rules cover the roles and responsibilities of the parties in the On-line Biddings. Acceptance in – toto to these General Rules & Regulations is a pre-requisite for securing participation in the On-line Biddings.

Role of the Tenderer:

The role of the Tenderer is outlined below:

Tenderers shall furnish the duly filled in Annexure-I of this document, within three days from the date of issue of such intimation for RINL.

Tenderers will participate in the Bidding with the aim of bidding to secure the auctioned work as specified in the tender document.

Tenderers will be provided access to the Bidding through their own Login Id & password. The Tenderer needs to ensure that the Login Id and password is not revealed to unauthorized persons.

Tenderers shall also give their consent to the General Rules & Regulations on line, for allowing them access to the Bidding mechanism.

Bidding Rules:

The Bidding Rules refer to the information and terms defined specifically for a particular Bidding event. The purpose of the Bidding rules is to provide techno commercially qualified Tenderers with the information and terms specific to the event in which they are bidding. However,

i) In case of contradiction or conflict of meaning between the ‘General Conditions of Contract’ (GCC) and ‘Special Conditions of Contract’ (SCC) issued along with the tender document and the ‘On line bidding procedure’, GCC and SCC shall prevail over the provisions of ‘On line bidding procedure’.

Participation in Bidding process presumes complete awareness and understanding of the bidding rules.

Conduct of the Bidding:

The Bidding schedule shall be communicated on pre-specified date.

RINL reserves the right to cancel or reschedule the on line Bidding prior to its commencement, on any of the followings reasons:

- The number of confirmed Tenderers is deemed to be insufficient to conduct the Bidding

- Some of the confirmed Tenderers are unable to access the module due to infrastructural problems such as sustained power failure or telecommunication breakdown.
Problems during conduct of Bidding:

RINL also reserves the right to cancel or reschedule the online Bidding due to events beyond reasonable control of RINL viz., infrastructural problems like server failure etc that may take place during the course of online bidding.
ANNEXURE - 5

Format for submitting last quoted prices
(To be submitted on Company Letter Head of the Tenderer after Bidding)

To
General Manager(Projects)- Contracts
Room no.20, A-Block,
Project Office Complex,
Visakhapatnam Steel Plant,
Visakhapatnam
5300 031

Fax: 0891 2518764

Re: Confirmation for last quoted value during online bidding held on .......... for ..............................................................

Reference above, we hereby confirm our last quoted prices in the On-line Bidding held on .......... for RINL as detailed below:

<table>
<thead>
<tr>
<th>SNo</th>
<th>Description</th>
<th>Rs.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Total Contract Price including all taxes and duties inclusive of service tax and education cess thereon</td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>Service tax and education cess thereon included in sl.no.1 above</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>ITC on APVAT included in sl.no.1 above</td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>% of Total Contract Price including all taxes and duties excluding service tax and education cess thereon with respect to the estimated cost</td>
<td></td>
</tr>
</tbody>
</table>

We understand that the above percentage will be uniformly applied over all items in the Bill of Quantity.

Name of the Tenderer:

Login Id : 

Signature : 

Name : 

Designation : 

Date :
## Schedule of online bidding event

<table>
<thead>
<tr>
<th>Sno</th>
<th>Activity</th>
<th>Date and time</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Submission of online sealed price bids (stage-I) (i.e., commencement of online bidding)</td>
<td>02:00 pm to 03:00 pm on xx.xx. xxxx</td>
</tr>
<tr>
<td>2.</td>
<td>Start of online competitive bidding (stage II) (reverse auction)</td>
<td>03:15 pm onwards on xx.xx. xxxx</td>
</tr>
<tr>
<td>3.</td>
<td>End of online competitive bidding i.e, Bid closure time (reverse auction)</td>
<td>04:00 pm on xx.xx. xxxx</td>
</tr>
</tbody>
</table>