Tender Cum Auction (e-Reverse Auction / e-Forward Auction) in Govt. eProcurement System of NIC (GePNIC©)

Instructions to Bidders

1. Tender Cum Auction is a combination of electronic Tender followed by Auction (Reverse / Forward Auction) in GePNIC. It is generally called as eRA. The Reverse (or Forward) Auction as the case may be, will be conducted after Opening of Price / Financial Bids.

2. The Tender Inviting Authority (TIA) will normally mention about conducting of eRA along with necessary instructions at the Notice Inviting Tender (NIT) stage itself. In the portal, it will be mentioned in the **Form of Contract** as 'Tender Cum Auction' against the particular tender.

3. Bidders, who are registered as privileged bidders (like MSME/ Startup / Make in India) in the portal and wish to avail the preferential treatment during financial evaluation of the tender, as per GoI policy should upload relevant documents during bid submission to claim Preferential treatment, subject to whether the preferential treatment is permitted by TIA against that tender during the time of Publishing.

4. **Bidders are advised to refer the Annexure** in this document regarding **terminologies being used in Tender cum Auction**.

5. Generally, all bidders who are techno–commercially qualified & approved by department/organization will be eligible for participation in the Reverse (or Forward) Auction.

6. Bidder's eligibility in the Reverse (or Forward) Auction will also depends on the "Bidders Elimination Process" configured by TIA in that tender. The elimination criteria for auction is one which normally restricts one or more bidders from participation in the auction who have quoted in the tender which is exorbitantly high in case of Reverse Auction or very low in case of Forward Auction. Hence, **bidders are advised to quote reasonably in the price bid to avoid elimination from participation in the auction.** Bidders are advised to refer to NIT/ Tender documents or may contact concerned tender inviting authority for auction elimination criteria against the tender.

7. After opening of the price (financial) bids, System will displays L1 (or H1) bidders price based on either **overall price basis** or **item wise/lot price basis** automatically**.**

8. The participation in the auction by an eligible bidder is voluntary. It is solely at the discretion of the bidder to participate in the auction. If a qualified bidder is not interested to participate in the auction, then price / financial bid submitted by bidder in the tender shall be treated as final price/financial bid of that bidder.

9. There will be no participation fees for the Auction. The bidders get an opportunity to change their prices by participating in the auction. In the case of Reverse Auction, the least price among the value quoted by the bidder in the auction and Financial Bid submitted will be taken as the final price quote of the bidder against the tender. In the case of Forward Auction, the highest price among the value quoted by the bidder in the auction and Financial Bid submitted will be taken as the final price quote of the bidder against the tender.

10. Using the system provided price, which would normally be considered as auction start price (but can be changed by the TIA, if required) and accordingly, will create Reverse (or Forward) Auction as the case may be and the auction will be published by the TIA.

11. The Techno-commercially qualified bidders (who are not eliminated by the system from participation in the Auction as per elimination criteria set by TIA against that tender cum auction) will receive Auction schedule intimation through e-mail. However, bidders are always advised to visit web site / portal regularly to keep them updated and to timely act upon wrt auction / other requirements of that tender.

12. The server time (which is displayed on the bidders' dash-board after login) will be considered as the standard time for referencing the deadlines for participation in live auction and other process during auction in the portal. The bidders should follow server time (Server System Clock) for all activities in the portal. The Time followed in this portal is as per Indian Standard Time (IST) which is GMT+5:30.

13. As per the configuration defined against the tender cum auction by the TIA, the system will not disclose the name of the L1 (H1) bidder, number of bids and names of the participating bidders on the portal to anybody prior to the completion of Reverse / Forward auction process.

14. **Participation in Reverse(Forward) Auction:**

   1. Bidders shall login using their login ID & Password and then using DSC.
   2. Click on '**My Auctions'** button given in left side of page, to view all Auction details for which bidder is Techno-Commercially qualified.
   3. For participating in Live Auction during schedule date & time,
   1) Click on **Live Auctions** Button.
   2) Click on **View** button to participate in the interested Auction.
   3) There is List of qualified Lots in which Bidder can participate against selected Auction. Click on **Hammer** Icon to participate in the respective lot.
   4) On clicking Hammer Icon, system will show Start price, Decremental (or Incremental) price and Current price against lot. Current Price will appear as Blank (-) in case no bidder has offered price.
   5) **In case of Reverse Auction : Enter your Price** in '**My Auction Price in Rs'** in multiples of decremental value up to above Max Seal % value, and then **sign it digitally** by clicking on Sign Icon and Click on **submit** button.

6) **In case of Forward Auction : Enter your Price** in '**My Auction Price in Rs'** in multiples of incremental value and below Max Seal % value, then **sign it digitally** by clicking on Sign Icon and Click on **submit** button.

7) System will then display Current Auction Price, Auction submitted Date/Time (last successfully quoted date & time), Auction scheduled date & time, Auction extended time up to (if any) etc.

8) On clicking "Refresh" Link in the screen, then the screen will be reloaded and will show your Latest Value / Price Quoted and system will also show Least Amount/ Rate (highest amount/ rate) which any Bidder would have quoted.

15. The live auction will be extended automatically by "Auto Extensions in minutes" if a valid and digitally signed bid has been successfully recorded in the system during the "Auction Elapse Time in minutes" before auction closing. The server time will be considered final and all bids that are received and recorded by the server before the auction close time (as per the server time) only shall be treated as valid bids. Bidder should follow the auction end/close time as displayed on the screen.

16. **During the auction the bidders are also advised to click "Refresh" link for refreshing their webpage to get the latest information about the status of the auction. The Live Auction window will remain same and also time remaining will be ticking, even in the event of disconnection of bidder computer system, Network/Internet. The bids submitted by other bidders during the time of disconnect of bidder computer system will not be displayed on your screen. The other bidder might have become L1/H1 (as the case may be) for the item during this time. To overcome this situation the bidders are also advised to click "Refresh" link for refreshing their webpage frequently.**

17. The last (latest) successful bid price quoted by bidder will be considered as valid price at any point of time during Auction.

18. The chronologically last (latest) bid submitted by the bidder till the end of the auction will be considered as the valid price bid offered by the bidder and acceptance of the same by Tender Inviting Authority will form a binding contract between Tender Inviting Authority and the bidder for entering into a contract.

19. For those bidders, who are eliminated from participating in the auction or bidders who are eligible for auction but not provided any price during auction, the rate quoted in the price/financial bid of the tender will be considered as final price.

20. Internet connectivity and other paraphernalia requirements shall have to be ensured by bidder themselves. In order to ward-off such contingent situation like internet connectivity failure, power failure etc., bidders are requested to make all the necessary arrangements / alternatives whatever required so that they are able to circumvent such situation and still be able to participate in the live auction successfully. However, the bidders are requested not to wait till the last moment to quote their bids to avoid any such complex situations.

21. Non submission of bid/quote during live auction within due date / time following due process prevalent at that time in the portal due to failure of computer system, power, network, internet connectivity or delay in performance or otherwise at Bidder's end or any other reasons for which bidder shall be held solely responsible. Neither National Informatics Centre nor concerned Tender Inviting Authority will be held responsible for the same in any manner.

22. The Tender Inviting Authority reserves the right to postpone, suspend/pause, resume and extend the Auction, if required.

23. Bidder shall not divulge their bids to any other party during auction. If a Bidder or any of its representatives are found to be involved in Price manipulation/ cartel formation of any kind, directly or indirectly by communicating with other bidders, strict action including black listing shall be taken against such bidders as per procurement guidelines/policies of the TIA.

24. After the conclusion of the online reverse (forward) auction, all bidders who have participated in Reverse(Forward) will see the overall Comparative chart ie L1(H1) price of the Auction.

25. Based on the L1(H1) price of each bidder as well as the price quoted in the tender by the non-participating bidder, comparative chart will be generated by the system and accordingly, further financial evaluation processing will be done by Tender Inviting Authority.

26. The Tender Inviting Authority normally reserves the right to extend, reschedule or cancel the Reverse Auction process at any time, before ordering, without assigning any reason, with intimation to bidders.

27. Bidding will be conducted **only in Indian Rupees** as indicated in the tender.

28. Validity of bids: Price shall be valid for a period of defined number of days from the date of reverse / forward auction or as specified in the tender. These shall not be subjected to any change whatsoever.

***

Annexure

Auction Terminology

Forward Auction: A bidder shall quote over and above the Starting Price or Current Auction Price.

Reverse Auction: A bidder shall quote below the Starting Price or Current Auction Price.

Auction Start Date & Time and Auction End Date &Time:- Live auction would be conducted during this period.

Auction Elapse Time in minutes: It is the minute(s) before the 'Auction End Time' and acts as a trigger for auto extension of current auction. If a bid is received successfully within these minutes, the auction will be extended subject to number of extension is not crossed.

Auction Bid Auto Extensions in minutes: The Auction End Time will be extended by this 'Auto Extension Time in Minutes', If a bid is received successfully within 'Elapse Time' in Minutes. Process will continue till no bid is received in elapse time.

Auto Extension Restriction Required: If procuring entity (TIA) desires to restrict the number of Extensions during Live Auction then TIA will specify this parameter as 'Yes' and also specify the number of extensions required. System will accordingly, extend the Auction only for specified number of times. If unlimited Extensions is required then TIA will specify it as No.

Max Seal Percentage: It defines maximum value a bidder can quote in multiples of incremental / decremental value in the auction.

> **In case of Reverse Auction**, in order to displace a standing lowest bid and to become "L1", a bidder can offer a minimum bid decrement or in multiples of decremental value up to above Max Seal %.
>
> For ex :
>
> | Current price : Rs. 49,000 | Decrement value : Rs. 1,000 |
> | --- | --- |
> | Maximum Seal % : 50 | |
>
> In this case a bidder can quote minimum decrement amount as Rs 49,000 – 1,000 = Rs. 48,000 and maximum decrement amount is 49,000 - 24,500 – 1,000 = 23,500 = 24,000* (as decrement value is in terms of 1000).

In case of Forward Auction, in order to displace a standing highest bid and to become "H1", a bidder can offer a minimum bid increment or in multiples of incremental value up to or below Max Seal %.

For ex :

Current price : Rs. 49,000	Increment value : Rs. 1,000
Maximum Seal % : 50	

In this case a bidder can quote minimum increment amount as Rs 49,000 + 1,000 = Rs. 50,000 and maximum increment amount as 49,000 + 24,500 + 1,000 = 74,500 = 74,000* (as increment value is in terms of 1000).

Bidder Elimination process : If the procuring entity (TIA) wish to eliminate bidders who is offering high price (very low price) from participating in Reverse (Forward) Auction , then TIA will select this option as **Yes**.

In addition, if **Allow Preferential Bidder Elimination** is selected as **No** by **TIA**, then Preferential bidders like (MSME / Startup / Make in India) will not be eliminated even if they have quoted very high (or too low) and will be allowed to participate in Reverse (Forward) Auction.   Moreover, even if **Allow Preferential Bidder Elimination** is selected as **Yes** by **TIA**, in this case during highest bidder elimination process in reverse auction, if the bidder is a privileged Bidder and their quote rate falls under the criteria L1+Tolerance percentage will not be eliminated and all others will be eliminated.

Minimum Bidder for Elimination: 4 (recommended value) - If procuring entity has received the minimum number of bids, say 4 then system will initiate the Bidder Elimination process.

Number of Bidder to Eliminate: 1(recommended value) - When the system will implement Bidder Elimination process, then system will eliminate say 1 (or mentioned number of Bidder) and start the Auction process with rest of the Bidders.

In case of Reverse Auction, H1 Bidder will be eliminated from participating in the auction even though qualified in the techno-commercial evaluation and in Forward Auction, System will eliminate L1 Bidder.

***