

FAX

Coal India Limited
(A Govt. of India Enterprise)

कोल इण्डिया लिमिटेड

(भारत सरकार का उपक्रम)
CIN.L23109WB1973GOI028844
Website: www.coalindia.in



A Maharatna Company

"COAL BHAWAN"

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CIRCULAR

It has come to the notice that during e-reverse auction process in a few cases, some of the bidders, who do not possess/submit the qualifying documents as per NIT, are playing mischief by slashing the rates during the e-reverse auction abruptly in one stroke in collusion with the L2 firm with a view to stopping the other bidders to bid a rate lower than the rate quoted by L2 bidder. They are misusing the present provisions of NIT which states that if such lowest bidder fails to submit the qualifying documents, it will get rejected and a penalty upto Rs.1,00,000/- only will be imposed on such defaulting bidders and thereafter, the second lowest bidder will become logical L1, if otherwise found to be meeting the NIT criteria.

In the above situation, the Company is deprived of best/competitive rates, there is no fair competition and the tender process gets vitiated. There is no true discovery of lowest bid and lowest bidder does not get selected through a fair means. Steps have been taken to improve the business process of e-RA. The matter being serious in nature and having financial implications, all concerned officials dealing with tenders may be advised to look into the above aspect while finalising the tenders. In case the L1 bidder, offering a big reduction in one go, fails to submit the qualifying documents and gets rejected, the reasonableness/justification of rate of next higher bidder may be assessed critically before proceeding further in the matter. The lowest rate has to be fair and reasonable before acceptance. Moreover, it has to be ensured that there has been no vitiation of tender process and successful bidder has not been discovered through any unfair means. It is advised to take the views/opinion of Advisor (P&V), CIL in all such cases before finalising the same.


(Sutirtha Bhattacharya)

Chairman-cum- Managing Director

Distribution:

- i) All CMDs
- ii) All FDs, CIL
- iii) All CVOs