



OFFICE OF THE CHIEF GENERAL MANAGER/CONTRACTS  
CORPORATE OFFICE, NEYVELI — 607801

CIRCULAR

Circular No.: CGM/Uniform procedure for RA/Circular/2023

Date: 16.03.2023

Sub: NLCIL - Uniform procedure for Reverse Auction (RA) for Tenders processed by Contracts and Purchase Divisions – Reg.

Ref: 1. CGM/Contracts & IE Circular No.: CGM/Conts/Contracts Manual/2021-2,  
Dt: 25.01.2021  
2. CGM/Contracts & IE Circular No.: CGM/Conts/Contracts Manual/2021-4,  
Dt: 24.02.2021

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- 1.0 This is in continuation to the Circulars cited in reference above.
- 2.0 Competent Authority had accorded approval for the consolidated uniform RA procedure for tenders processed by Contracts and Purchase Divisions and incorporating the same appropriately in Contracts and Purchase Manuals.
- 3.0 Accordingly, the details of Reverse Auction procedure for tenders processed by Contracts and Purchase Divisions are given below:

**I. Uniform RA procedure for tenders processed by Contracts:**

- 1) *Project Packages on EPC basis involving Techno-commercial loading:*  
No Reverse Auction.
- 2) *Manpower oriented Contracts:*  
No Reverse Auction.
- 3) *Tenders with Technical loading (other than Project Tenders on EPC basis) – Award to Single Contractor:*  
For tenders involving technical loading, in order to enable the bidders to arrive at the extent to which they have to offer price reduction during RA for bagging the order, the following RA procedure is to be adopted, which will help in maintaining confidentiality at all stages and protecting the identity of the bidders and keeping them anonymous to each other:
  - i) The Loading Parameters for each bidder is to be obtained in a separate form along with the bid and shall be opened along with price cover. The system will compute the evaluated prices of each bidder taking into account of Loading values and base price quoted by them.

- ii) From the ranking the bidders starting from Highest Evaluated bid price, 50% of the Bidders rounded off to the lower side shall be eliminated subject to ensuring minimum 2 bidders participation in Reverse Auction.
- iii) In case, participation is equal to two (2), both the bidders will be qualified and short listed for the reverse auction.
- iv) In case more than one bidder as eliminated above turns out to be with the same quoted price, all such bidders will be eliminated ensuring minimum two (2) bidders' participation in the reverse auction.
- v) Due to such elimination of bidders, if the available eligible bidders get reduced to less than 2 nos., all such bidders will be included for Reverse Auction without elimination.
- vi) Start Price for Reverse Auction shall be the Lowest Quoted Base Price amongst Techno-commercially qualified bidders. The Reverse Auction screen shall *interalia* display the Start Price, Current Price, Decrement value and Lowest Evaluated Price on Real-time basis, which will be visible to all bidders in RA and NLCIL.
- vii) In addition to the above, the bidder's Evaluated Price shall be displayed on Real-time basis in the Bidder's terminal.
- viii) The Bidders shall offer their reductions such that his Evaluated Price is lesser than the prevailing Lowest Evaluated Price in order to become the L1 Bidder.
- ix) The NeAT Portal shall finally display the ranking of the bidders with Name along with their final quoted price and evaluated prices.

4) *Tenders with Split Contract:*

In respect of tenders, where Split and award to more than one Contractor is envisaged, RA to be conducted adopting the following procedure:

- i) 50% of the bidders rounded off to the lower side shall be eliminated subject to ensuring minimum 4 bidders participation in RA.
- ii) In case, qualified bidders are equal to four, all the four bidders will be eligible for the Reverse auction.
- iii) In case more than one bidder as eliminated above turns out to be with the same quoted price, all such bidders will be eliminated ensuring minimum four bidders participation in the Reverse Auction.
- iv) Due to such elimination of bidders, if the available eligible bidders get reduced to less than four, all such bidders will be included for Reverse Auction without elimination.

5) *Tenders with Bench Mark (BM) Price concept:*

In respect of tenders involving works like Outsourcing of Overburden/Lignite excavation, bids are invited on Benchmark basis i.e. the bidders have to quote below the benchmarks specified in the tender, since the bidders are not allowed to quote above the benchmarks, bidders will not be eliminated for RA in line with the existing procedure.

- 6) *For other Tenders not covered in the above categories:*  
50% Bidders rounded off to the lower side shall be eliminated subject to ensuring minimum 2 bidders as per the existing procedure for RA.

**II. Uniform RA procedure for tenders processed by Purchase Divisions:**

- 1) *For procurement from single source (or) on Package basis:*
- i) 50% of the bidders rounded off to the lower side shall be eliminated subject to ensuring minimum 2 bidders participation in RA.
  - ii) In case, qualified bidders are equal to two, both the bidders will be eligible for the Reverse auction.
  - iii) In case more than one bidder as eliminated above turns out to be with the same quoted price, all such bidders will be eliminated ensuring minimum two bidders participation in the Reverse Auction.
  - iv) Due to such elimination of bidders, if the available eligible bidders get reduced to less than two, all such bidders will be included for Reverse Auction without elimination.
- 2) *For procurement from more than one source:*
- i) 50% of the bidders rounded off to the lower side shall be eliminated subject to ensuring minimum 4 bidders participation in RA.
  - ii) In case, qualified bidders are equal to four, all the four bidders will be eligible for the Reverse Auction.
  - iii) In case more than one bidder as eliminated above turns out to be with the same quoted price, all such bidders will be eliminated ensuring minimum four bidders participation in the Reverse Auction.
  - iv) Due to such elimination of bidders, if the available eligible bidders get reduced to less than four, all such bidders will be included for Reverse Auction without elimination.
- 3) *For procurement through GeM Portal:*  
The procedure for 50% elimination issued by GeM/ GOI from time to time through Notification / Circular / Office Memorandum to be followed.
- 4.0 All the units are requested to ensure compliances to the above.
- 5.0 This is issued with the approval of Competent Authority.



16/3/23

CHIEF GENERAL MANAGER/CONTRACTS

To  
All Unit Heads / Projects Heads  
Copy submitted to  
ED: Finance/HR/Safety/Coal Co-ordination/Mines/ Thermal/Contracts, MM & Disposal,  
CTO(Civil) and CEC/ SME, Conveyor, Land, Lignite to Methanol Project and Mine-III  
Copy to TS to CVO/FDs/CMD  
Copy to Intranet.