

रक्षा लेखा नियंत्रक का कार्यालय, गुवाहाटी उदयन विहार, नारंगी, गुवाहाटी-781171

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**IFA CIRCULAR**

No. IFA/180/Misc/2020-21

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To

All the Units of Army and Air Force under IFA coverage of CDA Guwahati

**Subject: - Prequalification Criteria (PQC – Eligibility/Evaluation) in Procurement Process.**

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It has been observed by this office that many procurement agencies are incorporating PQC in the RFP without approval of CFA/IFA during AON stage. It is advised that if the procuring agency wants any PQC to be incorporated into RFP then such PQC should be get approved by CFA/IFA, as PQC has major effect of filtering the bidders during techno-commercial evaluation stage.

2. PQC should be unrestrictive enough so as not to leave out even one capable vendor/contractor. Otherwise, it can lead to higher prices of procurement/works/services. However, on the other hand, these criteria should be restrictive enough so as not to allow even one incapable vendor/contractor and thus vitiate fair competition for capable vendors/contractors to the detriment of the buyer's objectives. A misjudgement in either direction may be detrimental.
3. In case requirement is suddenly a multiple times the past procurements, blind adoption of past PQCs may lead to disqualification of successful past vendors leading to inadequate competition. PQC should therefore be carefully decided for each procurement with the approval of CA for acceptance of the tender.
4. PQC has the potential of getting misused or being applied without considering the restrictive nature of competition. PQC should be relevant to the quality requirements and neither is very stringent nor very lax to restrict/facilitate the entry of bidders. These criteria should be clear, unambiguous, exhaustive and yet specific. Also, there should be fair competition.
5. Hence to have a uniform approach while framing PQC following guidelines are hereby advised to be followed in OTE (two bid cases) cases for tendering via DEFEPROC & GEM:

**NOTE:** PQC should not be used in LTE/STE/PAC cases as selection of bidder is already done by CFA/IFA using criteria mentioned in Para 4.3 to 4.5 of DPM 2009.

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- (a) Prequalification shall be based entirely upon the capability and resources of the prospective bidders to perform the particular contract satisfactory, taking into account their experience and past performance on similar contract for last 2 years, capabilities with respect to personnel, equipment and manufacturing facilities & financial standing through latest balance sheet /profit & loss account of last three years.
- (b) The quantity, delivery and value requirement shall be kept in view, while fixing the PQC. No bidder should be denied prequalification for reasons unrelated to its capability and resources to successfully perform the contract.
- (c) Bidder Firm (manufacturer or principal of authorized representative) should not have suffered any financial loss for more than one year during the last three years, ending on 'The relevant date'.

**Note:** It is advised that minimum qualifying quantity/financial turnover for bidders should range in between 40% to 80% of AON (Qty/value). Further procuring agency has tools of PBG/LD/Advance Sample/Inspection Clause to ensure delivery of right quality goods and services on right time.

**Draft advance sample clause to be used in RFP/TE (EPROC/GEM):-**

"Supplier has to submit .... NO/Sets of ..... items, to be submitted within 20 DAYS of placement of supply order. If advance sample is not submitted/ fails for the first time then additional time of 20 days will be given for submission of advance sample. If advance sample is not submitted/fails for the 2nd time, then the order will be short closed without any further notice and PBG will be en-cashed including process for deregistering from MSME/GEM. Additional time given for submission of advance sample will be deducted from bulk supply D.P. Balance quantity ..... Of ..... to be supplied within 02 months from the date of Bulk Production Clearance."

6. **Authorized Representatives:** Bids of bidders quoting as authorized representative of a principal manufacturer would also be considered to be qualified, provided:

- (i) Their principal manufacturer meets all the criteria above without exemption, and
- (ii) The principal manufacturer furnishes a legally enforceable tender-specific authorization in the prescribed form assuring full guarantee and warranty obligations as per the general and special conditions of contract; and
- (iii) The bidder himself should have been associated, as authorized representative of the same or other Principal Manufacturer for same set of services as in present bid (supply, installation, satisfactorily commissioning, after sales service as the case may be) for same or similar 'Product' on 'The Relevant Date'.

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7. **For Existing successful Past Suppliers:**

In case the bidder (manufacturer or principal of authorized representative) who is a successful past supplier of 'The Product' in at least one of the recent past *[three]* procurements, who do not meet any or more of requirements above, would also be considered to be qualified in view of their proven credentials, for the maximum quantity supplied by him in such recent past.

For more details Annexure 9: **Sample Prequalification Criteria** of Manual for procurement of Goods -2017 can be referred.

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Sr. Dy. IFA