

3.4 TENDER

3.4.1 TENDER NOTICE

1. Sealed Tenders will be received up to A.M./P.M. on the of 19...

by the Executive Engineer..... Division for the following work :-

Name of work Estimated cost Rs.

2. The work must be completely finished to the satisfaction of the Executive Engineer within months from the date of the order to commence the work.

3. The Tender Form with complete sets of blank forms of contract can be obtained from the office of the Executive Engineer Divisions at every day (except Sunday and holiday) from A.M. to P.M. at a charge of Rs. per set.

4. Each tender must be accompanied by a deposit of Rs. as earnest money. Such earnest money may be of the following forms :-

(i) Cash or Treasury Challan.

(ii) Post office savings bank pass-book having the requisite amount in the account, pledged to the Executive Engineer.

(iii) Deposit Receipt of State Bank or other approved Bank pledged to the Executive Engineer.

(iv) National plan loan or National Saving Certificate pledged to the Executive Engineer.

5. The tenders will be opened at A.M./P.M. on the day 19.....

by the Executive Engineer or his authorized agent at the office at

6. Power is reserved to reject any tender or all tenders without assigning any reason or given any explanation.

7. Unless the person, whose tender has been accepted, signs the contract and deposits the security specified within days, the earnest money deposited by him will be forfeited and the acceptance of his tender will be withdrawn.

8. The tendered rates shall be for the complete work and shall include all quarrying charges, royalty, testing, screening, tools and plants, carriage of materials to site, removal and changes of rejected materials, all taxes, income-tax, sales-tax, octroi charges, materials, labour, etc.

9. The tender rates will remain valid for a period of three months from the date of opening tenders.

10. The quantities in the bill of quantities are approximate and liable to variation or cancellation for which contractor will not be entitled to any compensation. The quantities of any item or items and the total cost may vary by 20% for which rates shall not be altered.

11. The rate should be quoted in the bill of quantities, legibly both in figures and words.

Executive Engineer..... Division

3.4.2 TYPES OF TENDER

the tenders can be classified into the following three categories.

- (i) Open or Public Tender
- (ii) Selected (or) Limited Tender
- (iii) Negotiated Tender

1. Open or Public Tender

Open or public tender may be defined as the one, in which any contractor can enter into the competition and all formalities of giving opportunity to compete are to be fulfilled. It is compulsory for the public works and because of competition; it may result in low cost. But there are chances of dispute as mistakes found out at a later stage are difficult to be adjusted. These open tenders are not suitable for complicated and specialized jobs.

It is also a laborious work for an engineer, because of the work may have to be entrusted to an unknown contractor. The end result is likely to be that the work goes to contractor, who is not suitable for the work and even though the initial price is low, the final cost (including the cost for delays, claims, excessive items, non-tender items, etc.) is likely to be higher.

II. Selected or Limited Tender

For this type of tender, the architect/engineer after consultation with his client invites a limited number of contractors for filling up the tender of project. It results into competition on a small scale. However, it proves to be useful for complicated and skilled works. It also leads to the early successful completion of the project.

III. Negotiated Tenders

This tender is the advanced form of selective tender and the contract is given by negotiations with one or at the most two contractors. There is no competition in this type of tender and hence it may be a costliest one. When the work is to be completed in target time without sacrificing for the quality, the negotiated tender may prove to be the alternative only.

3.4.3 TENDER PROCEDURES

The tendering process in construction includes the following stages:

1. Pre-tender Stage
2. Tender Advertisement Stage

3. Closing of Tender
4. Tender Opening Process
5. Tender Evaluation Process
6. Tender Award

1. Pre-tender Stage

At the pre-tender stage, when the clients have an idea, the client will appoint a consultant to discuss further the project. The consultant will do their job, advising, managing the tender and contract, and also transferring the idea into the drawing.

At this stage, the client and consultants will be brainstorming about the scope, time to complete, and budget.

The pre-tender stage is the most crucial matter because it will initiate the next step of a project. If the pre-tender stage is failed, the project will not complete. It is the first stage or step for the tendering process in construction.

2. Tender Advertisement Stage

The tender advertisement is also called tender notice. The conventional tender notice will advertise in the local newspaper. In the tender notice, the basic requirement that should be appearing are:

- Title of the project.
- Class of contractor, head, and subhead needed.
- Location, date, and time to obtain the tender document.
- Fees for tender documents.
- Location, date, and time for submission of tender doc.

3. Closing of Tender

Tender notice will mention the time and date of the tender closing process.

If the contractors fail to submit their bids within a specific time and date, it considers the contractors refuse to bid for the tender. At that time also the tender validity period is started.

At this stage, contractors can withdraw back their tender papers if they are no more interested to fight for the tender. Consultants use this period to make assessments and evaluations of each of the offers.

4. Tender Opening and Evaluation Process

Quantity surveyors usually will handle the tender opening process. To ensure the integrity of the competitive process, the evaluation of proposals must be undertaken objectively, consistently & without bias towards particular suppliers.

Tenders are generally evaluated against a pre-determined set of criteria. The evaluation of the tenders shall be prepared the soonest as possible after the tender opening.

A report prepared by the Quantity Surveyor will describe the findings of the said evaluation and it will be supported by tables and graphs. In the end, the Quantity Surveyor will recommend which tenderer, who in his opinion, is the most suitable to undertake to execute the project.

5. Tender Award

An evaluation team will examine each tender received and make recommendations as to which tender represents the best value for money. Once the *contract* has been finalized and work has been awarded, both the successful and unsuccessful tenderers will be notified.

Once the final decision has been made on the tender award to the particular contractor, the tender administrator creates the tender results notification which is in letter form and then sent to all participating contractors.

Once the client or government accepts a tender, it is binding on both parties. This means that the agency or company that won the tender has to provide the goods or services in the manner agreed to and at the price offered, and the client/government must pay the agreed price at the agreed time. The tendering process in construction is complete with tender awarding.

3.4.4 E-TENDERING

E-Tender is defined as the form of tender made by using computer networks. An internet based process where in the complete tendering process are carried out by using online is called E-tendering.

3.4.5 DIGITAL SIGNATURE CERTIFICATES

Digital Signature Certificates (DSC) are the digital equivalent (that is electronic format) of physical or paper certificates. Examples of physical certificates are drivers' licenses, passports or membership cards. Certificates serve as a proof of identity of an individual for a certain purpose; for example, a driver's license identifies someone who can legally drive in a particular country. Likewise, a digital certificate can be presented electronically to prove your identity, to access information or services on the Internet or to sign certain documents digitally.

3.4.6 ENCRYPTING AND DECRYPTING

Encryption is the process by which a readable message is converted to an unreadable form to prevent unauthorized parties from reading it. Decryption is the process of converting an encrypted message back to its original (readable) format. The original message is called the plaintext message.

To change electronic information or signals into a secret code (= system of letters, numbers, or symbols) that people cannot understand or use on normal

equipment: Your financial information is fully encrypted and cannot be accessed. Codes & decoding.

3.4.7 REVERSE AUCTIONS

A reverse auction is a type of auction in which sellers bid for the prices at which they are willing to sell their goods and services. In a regular auction, a seller puts up an item and buyers place bids until the close of the auction, at which time the item goes to the highest bidder. In a reverse auction, the buyer puts up a request for a required good or service. Sellers then place bids for the amount they are willing to be paid for the good or service, and at the end of the auction the seller with the lowest amount wins.

