

Guidelines for e-Reverse Auction(e-RA)

**1.0 DETAILED METHODOLOGY:-**

The detailed methodology to be followed in e-Reverse Auction shall be as under:-

- a) e-Reverse Auctions will be carried out in HPSEBL under the below mentioned framework of rules that will be called Rules for e-Reverse Auction. All vendors participating in e-Reverse Auction shall understand/ accept and give an undertaking for compliance with the same to the HPSEBL in the prescribed format Annexure-"A1". Any vendor not willing to submit such an undertaking shall be disqualified for further participation respecting the procurement in question.
- b) HPSEBL shall conduct the e-Reverse auction as per the Standard English e-Reverse auction, i.e. no two bids can have identical price from two different vendors. In other words, there shall never be a "Tie" in bids.
- c) In all cases where e-Reverse Auction is adopted in HPSEBL, notification of such intention to follow e-Reverse Auction process will be stated in the NIT document.
- d) Each bidder will be provided unique log in ID and password by the service provider to participate in e-Reverse Auction. Each bidder shall have the option to change the password after receipt of initial password.
- e) The date and time of commencement of e-Reverse Auction and duration of e-Reverse Auction time shall be communicated at least 4 working days prior to such auction date. Any force majeure or other condition necessitating postponement of auction shall entitle HPSEBL to postponement of auction even after communication, but, HPSEBL shall be obliged to communicate to all participating vendors the postponement prior to commencement of such e-Reverse Auction. In such cases also, a notice of at least 4 working days shall be given.
- f) Only vendors who are technically qualified and submit the prescribed undertaking to the HPSEBL can participate in e-Reverse Auction relevant to the procurement for which NIT is floated. The vendors participating in e-Reverse Auction shall submit the undertaking as per Annexure-A1 duly signed by their authorized signatory who signs the offer documents in response to the NIT for acceptance of Rules for Reverse Auction.

- g) Online price bids given by the eligible bidders as above, will be opened on the due date & time and the lowest total cost of ownership lowered by one decrement will be fixed as starting price generally. However, HPSEBL shall reserve the right to fix the starting price. The bid decrement will be 0.5% of bid start price rounded off suitably. The concept of total cost of ownership is given in Annexure-"A2". The vendors shall be able to bid only at such specified decrement value and not at any other fractions. For the sake of convenience of vendors, the web portal shall display the decremental value of bid. It is not, however, obligatory on the part of vendors to bid at the next immediate lower level only. (i.e, bids can be even at 2 or more levels lower than the immediate lower level.)
- h) e- Reverse Auction process will be conducted for a period of one hour where the bidders will be allowed to reduce the price. If the lowest bid is received within ten minutes prior to schedule closing time of e- reverse auction, the service provider's system shall automatically extend the period of e-Reverse Auction for further ten minutes from the time of receipt of such lowest bid. The system shall automatically keep on extending the e-Reverse Auction timing till the lowest bid received remain unchanged for last ten minutes before the scheduled closure time. At closing of e-auction within scheduled time or extended time as above, service provider's system shall automatically get locked so that the participants cannot enter their bids thereafter.
- i) Proxy Bid shall be available only for Overall Best Price Based Auctions. Here, all the bidders quote their minimum bid price at their end. Proxy bid price, initially tallies cum matches the price placed by other bidders and later places the bid on behalf of the bidder who has placed lowest bid with a minimum one-bid decrement lower than the next higher bid on the system.
- j) In cases where proxy bid facility is used, bid of the vendor who first placed the proxy bid would be accepted and the bid of the other bidders would not be accepted by the system with a message that your bid is outbid.
- k) All bidders will be able to view during the auction time the current lowest price in portal. Bidder shall be able to view not only the lowest bid but also the last bid made by him at any point of time during the auction time.
- l) Names of bidders/ vendors shall be anonymously masked in the e- Reverse Auction process and vendors will be given suitable dummy names/ codes. After completion of e-Reverse Auction, the service provider shall submit a report to the HPSEBL with all details of bid and the original names of the bidders as also the L 1 bidder with his/their original names.
- m) Service provider shall be responsible for conduct of adequate training to all technically qualified bidders representing the e-Reverse Auction and bidding

process. All the bids made from the log-in ID given to bidder shall ipso-facto be considered bid made by the vendor/bidder to whom log-in ID and password were assigned by the service provider. Any bid once made through registered log-in ID and password by the vendor/bidder cannot be cancelled. The bidder, in other words, is bound to sell the "Offering" as per the NIT at the bid price. Every successive bid by the bidder/vendor being decremental bidding shall replace the earlier bid automatically and the final bid as per the time and log-in ID shall prevail over the earlier bids.

- n) Special provisions with respect to HP based bidders/new entrants shall be considered as per existing practice in e-Reverse Auction. However, HP based new entrant firms shall not be allowed to participate in e-RA process. The eligibility of HP based firm/s may be ascertained as per the initial offered prices. However, at the end of the e-RA process, a counter offer may be given to the eligible HP based new entrant firm for acceptance of L-1 rates arrived after e-RA.
- o) Cancellation of e-Reverse Auction Process: HPSEBL shall however, be entitled to cancel the e-Reverse Auction process, if in its view e-Reverse Auction process cannot be conducted in a fair manner and/or in the interest of the HPSEBL.
- p) Errors and Omissions: On any issue or area of material concern respecting e-Reverse Auction not specifically dealt with in these rules, the decision of the HPSEBL shall be final and binding on all concerned.
- q) No vendor shall involve himself/ itself or any of his/its representative in any price manipulation directly or indirectly with other bidders. If any such practice comes to the notice, HPSEBL shall disqualify the vendor/bidders concerned from the e-Reverse auction process.
- r) Bidder shall not disclose details of his bids or any other details concerning e-Reverse Auction process of the HPSEBL to any other third party without specific permission in writing from the HPSEBL.
- s) Neither HPSEBL nor service provider can be held responsible for consequential damages such as no power supply, system problem, inability to use the system, loss of electronic information, power interruptions, UPS failure etc. (HPSEBL shall, however, entertain any such issues of interruptions, problems with open mind and fair degree of transparency in the process before deciding to stop or extend the auction.)

## Undertaking

(To be submitted by all vendors participating in e-Reverse Auction)

To,

### DECLARATION

We \_\_\_\_\_ (name of the company) hereby confirm having submitted our bid for participating in HPSEBL's NIT No. \_\_\_\_\_ dated \_\_\_\_\_ for the procurement of \_\_\_\_\_

1. We also confirm having read the terms of NIT as well as the Rules relating to the e-Reverse Auction for this NIT process.
2. We hereby undertake and agree to abide by all the terms and conditions stipulated by HPSEBL in the NIT document including all Annexures and the Rules for e-Reverse Auction.
3. We shall participate in the on-line auction conducted by \_\_\_\_\_ (Auction Company) and submit our commercial bid. We shall also abide by the procedures prescribed for online auction by the auction company.
4. We, hereby confirm that we will honour the bids placed by us during the auction process, failing which we shall forfeit the EMD. We also understand that the HPSEBL may debar us from participating in future tenders.

### SIGNATURE WITH COMPANY SEAL

NAME-

Company/ Organization-

Designation within Company/

Organization-

Address of Company/ Organization-

Date:

**Total Cost of Ownership (TCO) Price:**

TCO refers to the aggregate amounts payable by HPSEBL for transfer of ownership. TCO shall include but not be limited to the following:

- Cost of the equipment/ product or services.
- License fee (as defined in NIT), if any.
- All existing taxes.
- Installation and commissioning charges, if any.
- The price should include the comprehensive onsite warranty, maintenance of the equipments covering all components, services and visits to the concerned offices as specified in the NIT.
- Annual Maintenance Charges for the period as specified in the NIT, if any.
- Transportation and forwarding charges to respective sites.
- Training costs for the product/service/equipment, if any, as defined in NIT.
- Insurance to cover the equipment for and from transit period till installation.
- All other loadings, if any.
- The TCO shall be arrived at after deducting 'buy back' costs involved, if any.
- TCO, however, shall not include variables of octroi and entry tax. These shall be paid as per actuals and on production of receipts. However, no penalties respecting octroi or entry tax shall be paid by the HPSEBL and the vendor shall bear such expenses.