

SECTION 1 : INTRODUCTION

1.0 **GENERAL:**

- 1.1 North Eastern Electric Power Corporation Limited (NEEPCO), a central generation utility, was incorporated on 2nd April, 1976 as a wholly owned company of the Govt. of India under the Ministry of Power to plan, promote, investigate, survey, design, construct, generate, operate and maintain hydro and thermal/gas power stations in the North Eastern Region of India.
- 1.2 In order to achieve the above objectives, it is essential that procurement of goods, works and services are carried out effectively and efficiently. The range of procurement can be of varying magnitude and complexity, from procurement of office consumables to finalization of bidder for construction of tunnels, dams, power stations. Funding for these works and services are arranged from budgetary support (Loan and Equity) from Government of India and Internal & Extra Budgetary Resources (IEBR), i.e., internal resources, through loan/credit from international financial institutions, domestic financial institutions and supplier's credit/External Commercial Borrowings (ECB) etc.
- 1.3 Besides the Contract and Procurement Wing at the Corporate Office headed by an Executive Director, all the project sites will have to ensure the establishment of a similar Contract and Procurement Wing at their respective locations. In the case of smaller Offices of the Corporation at various locations where a full-fledged Contract and Procurement Wing is neither feasible nor necessary, a dedicated Officer should be identified for handling all contract and procurement matters.
- 1.4 E-tendering and threshold limits (Refer Ministry of Finance, Department of Expenditure, Procurement Policy Division Circular No. 10/3/2012-PPC Dated 09.01.2014).
Threshold limit of Rs. 2.00 Lakh or more w.e.f. 01.04.2016.

2.0 **SCOPE AND PURPOSE:**

- 2.1 The purpose of this document (the revised document hereinafter known as **NEEPCO's Contracts & Procurement Manual, Revision-3 (November, 2022)** replacing the Contracts and Procurement Manual, (Revision-1 October 2013) is to articulate policy guidelines for NEEPCO's governance framework for Contracts & Procurement. However, for Procurement funded by different financial institutions or other agencies, the financing agreement with them would govern the legal relationships between NEEPCO and such institutions/ agencies, and the Procurement in such cases shall be governed by the agreement with such agencies. The policy guidelines contained herein shall not be applicable for such funded procurement to the extent it is contradictory or repugnant to the requirements of the concerned agencies.
- 2.2 The rights and obligations of NEEPCO and the providers of goods, works and services (i.e. Contractors/ Supplier/ Consultants/ Agencies) for the Projects shall be governed by the bidding documents, and by the contracts signed by NEEPCO with them, and not by the guidelines contained in this document or the financing agreements referred above.
- 2.3 References to "goods, works and services" in these documents include all related services such as transportation, insurance, civil/ electrical/ hydro-mechanical/ electro-mechanical works, erection/ installation, testing, commissioning and maintenance etc.

as the context may require. References to “services” in these documents also include services such as consultancy, maintenance, operation & maintenance, etc.

- 2.4 Through this document, an attempt has also been made to foresee contingencies/ issues that might be encountered in the course of business, and to include guidelines for addressing the same. However, since it is neither possible nor practicable to foresee all possible contingencies/issue which may be encountered in the course of Procurement, such contingencies/ issues as may be encountered would need to be dealt using the best executive judgement with due application of mind in a transparent, fair and prudent manner, as would be in NEEPCO’s overall interest.
- 2.5 The provisions of this document shall be logically extended, to the extent applicable and relevant, to all other procurement that may not have been specifically included herein.
- 2.6 In case, a contradiction arises between the policy guidelines contained in this document, with circular/order/guideline issued by the Management/ministry/CVC/statutory body after this document is adopted/ comes into force, the latter shall prevail.
- 2.7 While the applicable Delegation of Power (DoP) governing financial powers shall always have precedence over this document.
- 2.8 In the above context the document with following Sections and corresponding Appendices, if any, **shall be referred to as NEEPCO’s Contracts & Procurement Manual Revision-3 (November, 2022):**

Volume – I: (Introduction and Pre-Award)

Section 1: Introduction

Section 2: Pre-award

Section 3: Time Schedule

Section 4: Procurement through Open Tender

Section 5: Procurement through Limited Tender

Section 6: Procurement through Offer/without call of Tender

Volume – II: (Post Award)

Section 1: Introduction

Section 2: Post-award Activities

Section 3: Important Post ward issues

Section 4: Formats of Reports/ Certificates

Volume – III: (Sample Bid Document for Civil/Hydro-

Mechanical Works and Consultancy & Other Services job)

Volume – IV: (Sample Bid Document for Electrical/ Electro-

Mechanical Works)

Each Section has one or more Chapters.

- 2.9 **NEEPCO’s Contracts & Procurement Manual Revision-3 (November 2022)** shall continue to be applicable till modified/ revised with the approval of BOD through Circular to be issued from time to time or in any other manner deemed appropriate.

3.0 PRIMARY CONSIDERATIONS

- 3.1 Award and execution of contracts for Procurement shall be generally guided by the following primary considerations:
- (a) To make available the needed goods, works and services in the right quality and quantity, at the right time and at competitive price, so as to obtain the optimum value for each unit of expenditure.
 - (b) Economy and efficiency in execution of the project within schedule time, including the procurement of goods, works and services in question.
 - (c) To provide fair opportunity to all eligible, qualified and competent bidders commensurate with their capacity and capability, to compete for providing goods, works and services, and ensure selection of most competitive bid.
 - (d) To encourage the development of local, domestic contracting and manufacturing industries/agencies.
 - (e) Transparency, fairness and equity in the procurement process with due regard to timelines.
 - (f) Evolve mechanism to prevent corrupt and fraudulent practices.
 - (g) To make optimum use of technology particularly IT for increased efficiency, effectiveness and transparency.
 - (h) Assignment of functional responsibility and accountability.
- 3.2 Actions by all concerned officials of NEEPCO towards award of contracts and its execution shall be ethical, transparent and fair, and in NEEPCO's interest and shall be based on facts presented and circumstances prevailing without being investigative which otherwise falls into the domain of investigative agencies. Any failure will be dealt with appropriately by the Management. For this purpose, due regard shall be given to the concerned officials' intent, earnestness and justification in support of his action, keeping in view the relevant facts and circumstances prevailing when the action was taken. Mere fact of a decision taken in the past in best judgement not leading to desired result in future and/or subsequent emergence of a fact, which otherwise cannot be determined without investigation at the time of taking decision, shall not be considered as malafide. Similarly, bidders/ suppliers/ contractors associated with the Procurement shall observe the highest ethical standard and integrity in competing for and execution of contracts.

In pursuance to above, NEEPCO:

- (a) may reject a bid for award, if it is found that the bidder, and/or its employees, sub-contractors, agents have engaged in corrupt or fraudulent practices including misrepresentation of facts, submissions of forged/ false documents, making false declarations to influence decisions in competing for the Contract in question;
- (b) may cancel the contract, in full or in part, if it is found that the selected bidder, and/or its employees, sub-contractors, agents have engaged in corrupt or fraudulent practices including misrepresentation of facts, submissions of forged/ false documents, making false declarations for obtaining the contract or during the execution of the contract;
- (c) may take appropriate action as deemed fit including issuance of warning to the firm and/or declaring the firm ineligible, for a stated period of time (1year to 3 years), to be awarded a Contract, if it, at any time, is established that the firm has directly or

through an agent engaged in corrupt or fraudulent practices including misrepresentation of facts, submissions of forged/ false documents, making false declarations in competing for or in executing a Contract.

- (d) will not allow participation of any intending bidder who is either blacklisted in any PSU/Government Department, as per information available with NEEPCO or whose performance (Performance Report as per Section 4, Vol-II) in an earlier work/supply order has not been satisfactory.
- (e) even though the bidders whether individually or any partner of the Joint-Venture/Consortium meet the qualifications/qualifying criteria, they are subject to be disqualified if they either directly in its own name or indirectly in any other name or any partner of the Joint-Venture/ Consortium in carrying out of its business have been charge sheeted by any Investigating Agencies of Central/State Government or if any Criminal, Fraud, Corruption Cases or Charges that may be proceeding against them in a Court of Law.
- (f) may take any other appropriate action that shall be justified and reasonable in the facts and circumstances of the case securing NEEPCO's interests in best possible way which appropriately deals with contract/contractor involved.

3.3 For the purpose of above provision, the terms, 'Corrupt Practice' and 'Fraudulent Practice', mean following:

- (i) 'Corrupt Practice' means offering, giving, receiving, or soliciting anything of value to influence the action of NEEPCO official(s) in the procurement process or in the contract execution, and
- (ii) 'Fraudulent Practice' means mis-representation of facts, submissions of forged/ false documents, making false declarations in order to influence procurement process or the execution of a contract to the detriment of interest of NEEPCO, including collusive practices among bidders (prior to or after bid submission) to establish bid prices at artificial, non-competitive levels and to deprive NEEPCO of the benefits of competitive prices.

3.4 In pursuance to the above the Integrity Pact and other such programs including those as may be advised by Central Vigilance Commission (CVC)/ Comptroller and Auditor General of India (CAG) or other Authorities shall be adopted for its Projects/ Procurement by NEEPCO, as may be approved by its Management from time to time.

3.5 In order to achieve the above objectives, broad outlines of the roles to be performed by all concerned and the methodology to be adopted are elaborated in Sections 2, 3, 4, 5 and 6 of this volume i.e., Volume - I (Introduction and Pre Award) and in Volume- II (Post Award).

4.0 MODIFICATION/ ADDITION TO THE POLICY AND PROCEDURE

4.1 This document in the normal course shall be revisited after 3 (three) years from its adoption or such shorter period as may be considered appropriate by the Management. However, modification/ additions by way of amendments to this document may be approved from time to time with the approval of the Competent Authority. The committee shall be constituted with the following members:

- (i) 2(two) members from C&P Department.
- (ii) 1(one) from Corporate Finance (Concurrence) Department.
- (iii) 1(one) from D&E Department.

- (iv) Representatives of any other department as may be considered necessary by Head of C&P Department.

Views of the concerned department/project will be taken, if required, during the course of examination. The proposal, after examination, will be put up to the competent authority for approval.

- 4.2 The Competent Authority for approval of amendment to any provision of this Contracts & Procurement Manual Revision-2 (March 2017), shall be (a) Board of Directors in case the modification/ additions are substantive in nature as may be decided with the approval of CMD and (b) by the CMD in all other matters including matters related to implementation. The proposal for the amendment shall be put up based on need and necessity by the C&P Department in consultation with other concerned departments.
- 4.3 Any modification to this Manual, duly approved by the Competent Authority, will be issued by O/o of the Executive Director (Contracts and Procurement). Copies of such modifications will be issued to all HOPs/HODs.