

PROCEEDINGS OF THE GOVERNMENT OF KARNATAKA

Subject: Procurement of Works- Use of Standard Tender Documents

Preamble:

Rules regarding Procurement of Works are contained in the Karnataka Transparency in Public Procurements Rules, 2000. Chapter IV deals with tender documents. Para 167(1) of the Karnataka Public Works Department (KPWD) Code Volume I specifies that contract for works estimated to cost more than Rs.25, 000 should be prepared only on regular Contract Form No. PWG-65. This document with little or no modification is widely used by all Government Departments and some PSUs, Municipal Corporations and local bodies. The document is the same for all values of contract. However some PSUs have made considerable changes in PWG-65 and are using the same for their works contracts of large value. Some of the provisions of the Contract Form PWG-65 are at variance/ do not conform with the provisions of the Karnataka Transparency in Public Procurements Act 1999 and Rules, 2000. In addition, Circulars/Orders on various aspects of Procurement have been issued in the recent past, which need to get reflected in the tender documents. At present there is no prescribed pre-qualification document. The Departments and PSUs executing large works have devised their own pre-qualification documents with wide variations. In order to ensure consistency across all Procurement entities in the State, mandating of standard tender documents for Works has been under the consideration of Government for quite some time now.

The Working Group constituted vide Government order No. PWD 1359 SO/FC 2001 dated 14/8/2002 reviewed the draft tender documents for Procurement of Works. The Sub-Committee under the Chairmanship of Secretary to Government, PWD, constituted by Government order No. PWD 122 SO/FC 2003 Bangalore dated 8/5/2003 to examine and make recommendations regarding various aspects of Procurement reforms in the state reviewed and finalized the draft tender documents for works and made its recommendations. The Standing Committee for Procurement reforms constituted vide Government order No. PWD 1359 SO/FC 2001 dated. 5/8/2002 examined the recommendations of the Working Group and Sub-Committee and decided to place the draft tender documents on the website of Finance Department and solicit comments and suggestions. Accordingly the draft tender documents were hosted on the web site of the Finance Department

and a circular was issued vide No.PWD 141 SO/FC dated 29th August 2003 requesting for comments and suggestions.

The standing committee considered the comments and suggestions received in its meeting held on 13-4-2005; and has recommended to government mandating the forms from 1-8-2005.

The Government have examined the recommendations. It is felt that the works documents are tried out for a period of six months so that any problems encountered in use of these documents can be suitably addressed and taken care of before mandatory use in the entire state. Hence, the following order.

Government Order No. FD 9 PCL 2004 (I),
Bangalore, Dated: 06.8.2005.

1. One Division each in PWD Buildings wing and General wing; one Division each in Water Resources Department and Minor Irrigation Department; and one division each in the Corporations under the administrative control of the Water Resources Department, as may be identified by the concerned Principal Secretary to Government, shall make use of standard tender documents given in Annexures I to VI to this government order in procurement of works from 1st September, 2005, for a period of six months initially. This order supercedes the provisions contained in the codes, manuals or any other orders in this regard.

Form Number	Description of the document	Value of Contract
K/W-1	Procurement of Works by inviting open tenders (Item Rate)- restricted to Registered Contractors(Annexure I)	Less than Rs.20 lakhs
K/W-2	Procurement of Works by inviting open tenders (Item Rate) – post-qualification criteria incorporated (Annexure II)	More than Rs.20 lakhs but less than Rs.50 lakhs (threshold for two cover tender system)
K/W-3	Procurement of Works by inviting open tenders (Item Rate) – Two cover tender system- No Price Adjustment (Annexure III)	More than Rs.50 lakhs but less than Rs.100 lakhs

K/W-4	Procurement of Works by inviting open tenders (Item Rate) – Two cover tender system – With Price Adjustment (Annexure IV)	More than Rs. 100 lakhs but less than Rs10 crores (threshold for pre-qualification)
K/W-5	Pre-qualification by open invitation of Applications- Joint Venture not permitted (Annexure V)	More than Rs.10 crores (threshold for pre-qualification)
K/W-6	Pre-qualification by open invitation of Applications – Joint Venture permitted (Annexure VI)	More than Rs.10 crores (threshold for pre-qualification)

2. Instructions to the Tenderers, Formats for submission of tender (unless specified otherwise) and the General Conditions of Contract, indicated in the standard tender documents shall not be changed. However, amendments, supplementary instructions if any to the above, to take care of local need/specific requirement, may be provided in the Data sheet, Special Conditions of Contract, provided for in the documents.

3. Amendments to the relevant codes and rules will be incorporated in due course.

4. Additional tender document for Procurement of Works of value of more than Rs.10 crores, documents for other types of contracts such as Lump Sum, Percentage, Private Sector participation BOT, BOO, BOOT etc and other documents as found necessary would be issued in due course.

5. This order will apply for invitation of tenders for procurement of works to be invited on or after September 1, 2005 and shall not be applicable for tenders already invited and that are under process.

By order and in the name of
Governor of Karnataka


(M. Umesh)

Additional Secretary to the Government
Finance Department

To:

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 The Principal Secretaries and Secretaries to Government
 The Principal Secretary to Chief Minister
 The Secretary to the Deputy Chief Minister
 The Accountant General (A&E) Karnataka, Bangalore
 The Secretary to Government (Expenditure), Finance Department
 Secretary, Karnataka Legislative Assembly/Council
 Registrar, Karnataka High Court, Bangalore, }
 Registrar, Karnataka Lokayukta, Bangalore } *
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} *By a covering letter