

DELHI DEVELOPMENT AUTHORITY

NO.EM.1(10)83/1479

Dated: 16.2.85

CIRCULAR NO. 77

Sub: Negotiations-Procedure for conducting.

Detailed instructions regarding conducting negotiations are contained in section 20 para 12 of CPWD. Manual, Vol. II. These instructions should be followed very strictly by the EEs/SEs/CEs.

As a general rule, negotiations should not be resorted to but in cases where it becomes necessary to do so, negotiations should be restricted only to the lowest tenderer unless otherwise advised by the competent authority for which their prior approval should be obtained. As per provisions of CPWD Manual Vol. II no negotiations should be resorted to in order to bring down rates when these are only marginally in excess of the lowest rates received and accepted for similar works in the post. In order to ensure that the sanctity of the tender system is not violated and to avoid a tendency to make tenders tentative rather than competitiveness, it has been decided that excess in rates upto the percentage marginal limits as indicated below shall be ignored:-

Value of Works	Limit Marginal
a) For works costing upto Rs. 50000/-	5%
b) For works costing about Rs. 50000/- upto Rs. 5 lacs.	2 1/2%
c) For works costing over Rs. 5 lacs	1%

As provided in para 95(b) of CPWD code in cases where the lowest tender is not accepted, reasons should be recorded confidentially and prior approval of the authority next higher than the one competent to accept the tender should be obtained. In case of CE, however, it would not be necessary to obtain such approval for contracts upto 22.5 lacs. Prior approval of WAB will however be necessary in respect of contracts amounting to Rupees more than Rs. 22.5 lacs.

Sd/-  
(J.K.VARSHNEYA)  
ENGINEER MEMBER

All Chief Engineers.  
All Suptdg. Engineers.  
All Executive Engineers.