

Dte of Works, E2W/Tech Coord
Room No 149A (E3 Cell)
Engineer-in-Chief's Branch
Integrated HQ of MoD (Army)
Kashmir House Rajaji Marg,
Delhi-110011

A/00062/GEM/E2W/TC (E3 Cell)

16 Feb 2022

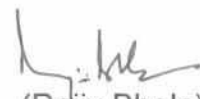
Headquarters

CE Southern Command
CE Eastern Command
CE Western Command
CE Central Command
CE Northern Command
CE South Western Command
ADG (NEI), Guwahati
ADG (Project), Chennai
ADG (North), Jammu

(Through MES Website only)

FIXING OF ABNORMALLY LOW RATES (ALR) IN GEM PORTAL
WHILE PUBLISHING BIDS FOR OUTSOURCING OF MANPOWER CONTRACTS

1. Please find attached a copy of DGFP, GS Branch, IHQ MoD (Army) letter No. A/89591/GeM/FP-1 & Coord dated 31 Jan 2022.
2. For information, wide dissemination and necessary action please.


(Rajiv Bhola)
Col
SO-II (E3 Cell)
E2W/Tech Coord
For E-in-C

Encls: As above

Copy to:-

HQ CME Pune
ADG Design & Consultancy, Pune

Internal:-

E2 W(PPC) :- For info and necessary action please

E8 (Contracts)/Coord :- For info and necessary action please.

ESP Dte / ESP-1 :- For info and necessary action please.

Automation Cell - For uploading on MES Website with **open access**.



A/89591/GeM/FP-1 & Coord

31 Jan 2022

Cols FP
All Comds

FIXING OF ABNORMALLY LOW RATES (ALR) IN GEM PORTAL
WHILE PUBLISHING BIDS FOR OUTSOURCING OF MANPOWER CONTRACTS

1. A No of representations have been recd from the envt regarding non availability of window for fixing of min service charges by the Buyer on GeM portal leading to abnormally low rates being quoted by Sellers in Outsourcing of Manpower related Services. This Dte had sought clarification from GeM in this regard. Clarification recd from GeM is att as Appx for info and summarized as below:-

(a) Based on justification of DRDO, CGDA vide their letter No IFA/142/Outsourcing/4/2021 dt 01 Oct 2021 (copy att) has promulgated that MoD buyers can exercise the option to fix min service charge as 5% or lower than 5% on discretion of CFAs in case of high value contracts, for outsourcing of manpower contracts. However, this functionality is not yet available on GeM portal as directions from DoE/MoF are yet to be recd.


(b) **ATCs**. As an interim measure GeM has allowed buyers to incorporate ATCs regarding 5% or lower minimum service charges as deemed appropriate by the CFA.

(c) **Disqualification of Defaulting Sellers**

(i) During tech evaluation Buyers should seek clarification from Sellers regarding adherence to min service charge mentioned in ATC and disqualify defaulting sellers.

(ii) In case clarification is not sought during tech evaluation and a defaulting Seller becomes L1 after opening of fin bids, GeM helpdesk can be approached alongwith approval of competent auth to disqualify such unworkable L1.

2. For your info and necessary action pl.


(Virender Singh)
Col
Col FP-1 & Coord

Copy to :-

DCOAS(CD&S) Sectt/ Dir Budget
AG Br / Budget Cell
E-in-C/E2WTC/E3 Cell
GS Mov Plg/ADG Mov

DCOAS(IS&C) Sectt/ Dir Budget
QMG/ Budget
So-inC-/Dir Sigs-2
Dte Gen OL&SM/Coord
MGS/Budget Cell
MI-15
Dte Gen RR/RR-4



CGDA letter
(Bnd)



रक्षा लेखा महानियंत्रक
Office of the CGDA
उलान बटार रोड, पालम, दिल्ली छावनी-110010
Ulan Batar Road, Palam, Delhi Cantt - 110010
IFA Wing



No. IFA/142/Outsourcing/4/2021

Dated: 01.10.2021

To
All PIFAs/IFAs
(Through SIFA/e-mail)

Sub: Fixing of Minimum Service Charges for Services Contracts.

PCDA, Bengaluru and Commandant & Colonel Commandant ASC, Bengaluru have made references in connection with fixing of minimum service charges, while inviting bids for entering into outsourcing of manpower contract referring the minimum service charges of 5% fixed by DRDO vide letter No. DRDO/DMS/02/Proc(HQ)/7100/Misc/M/01/2019-20 dated 07 January 2020 (copy enclosed).

2. Taking into account of various aspects including cost associated with Manpower Services Contracts, the transaction charges being levied by GeM on the vendors etc., DRDO had issued an instruction to follow the minimum Service Charge @ 5% for Service Contracts vide ibid letter.

3. Accordingly the issue has been examined in this HQr office. HQr office agrees with the justification given by DRDO for fixing 5% minimum service charges, and the same may be adopted by other organizations also. However, it is also advised that for large value contracts, CFAs may exercise flexibility to adopt a lower figure than 5% as service charge. The same should however be well deliberated on file and be invariably be disclosed as a part of RFP.

This issues with the approval of CGDA.

Nihar Ranjan
(Nihar Ranjan)
AO-(IFA)



20



Capture3.JPG
30 KB

Fixing of Abnormally Low Rate (ALR) in GeM Portal.PDF
4 MB

From : BK Munjal <advisor-bkm@gem.gov.in>

Wed, Jan 19, 2022 09:11 PM

Subject : Re: FIXING OF ABNORMALLY LOW RATE (ALR)
IN GeM PORTAL

6 attachments

To : VIRENDER SINGH <finplgcoord-01@gov.in>

Cc : Tarun Agrawal <tarunagrawal.784f@gov.in>, Virender Singh <Svirender.458x@gov.in>, Naveen Wadhera <nwadhera.384p@gov.in>, Ashwini Singh <acsingh.139l@gov.in>, H Dharmarajan <h.dharmarajan@gov.in>

Respected Sir/Ma'am,
आदरणीय महोदय/महोदया,

Refer to the attached letter

It is clarified that the field of minimum service charges of 0.5% is editable by the sellers and is not fixed.

It is requested that relevant para of Supreme Court ruling and Contract Labour (Regulation and Abolition) Act may be indicated.

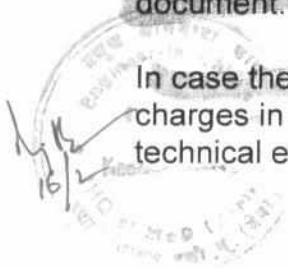
Further, It has been brought out earlier also that the Ministry of Commerce correspondence mentioned in the letter was withdrawn by the Ministry immediately and is no more relevant.

It is mentioned that the issue of allowing Minimum Service Charges is under consideration of Department of Expenditure (DoE) and MoD may be requested to reiterate the issue from their side to DoE for an early decision.

In the interim, the buyers are already incorporating ATC regarding 5% minimum service charges as deemed appropriate by them.

During technical evaluation, the buyers have been seeking clarification from the sellers regarding adherence to ATC for 5% minimum service charges as laid down in the bid document.

In case the sellers intimate that they have quoted less than 5% minimum service charges in the bid document, the buyers have been disqualifying such vendors at technical evaluation stage itself based on feedback provided by such defaulting sellers.



Further, few buyers do not ask for clarification on quoted minimum service charges at the technical evaluation stage and after opening financial bid in case any seller is found to quote lesser than minimum service charges as mentioned in the bid document, the buyers send request to GeM helpdesk to disqualify such unworkable L1. GeM helpdesk has been taking necessary action in this regard and all such unworkable L1 are disqualified when approval of competent authority is attached with the email.

It is requested that suitable advisory may be issued to the Army buyers till decision is received from DoE.

Regards

सादर

Commodore B.K Munjal, VSM (Retd)

कमोडोर बी. के. मुंजाल, वीएसएम (सेवानिवृत्त)

Advisor (Defence)

सलाहकार (रक्षा)

Government e-Marketplace

सरकार ई-बाज़ार

011-40236157



GeM
Government
e Marketplace

From: "Advisor DefProc" <advisor-defproc@gem.gov.in>

To: "BK Munjal" <advisor-bkm@gem.gov.in>

Sent: Monday, January 17, 2022 3:31:36 PM

Subject: Fwd: FIXING OF ABNORMALLY LOW RATE (ALR) IN GeM PORTAL

Respected Sir/Ma'am,

आदरणीय महोदय/महोदया,

Regards

सादर

B.K Munjal

बी. के. मुंजाल

Advisor

सलाहकार

Government e-Marketplace

सरकार ई-बाज़ार

011-40236157

