

**INDIAN INSTITUTE OF TECHNOLOGY DELHI**  
**Co-ordination Section**

No.IITD/ICDN/2010/822

Dated: 21/05/2010

**Sub: Necessary conditions for negotiation with vendor**

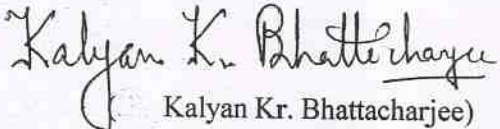
The new comprehensive Store Purchase Rule was notified vide IITD/SP(R)/2008-2009/2864 dated 31-03-2008 and are being followed in the Institute. The clause no. 4.4.1 (xiv) of page 8 of the said rules states that "The PFC may negotiate with the vendor (L1: Lowest bidder) if felt necessary".

The CVC rules (Ref. No. 005/CRD/12, Circular No. 4/3/07 dated 3/3/2007) in this context are reproduced below which discourages any kind of negotiation with L-1 except some exceptional cases:

- i. As post tender negotiations could often be a source of corruption, it is directed that there should be no post-tender negotiations with L-1, except in certain exceptional situations. Such exceptional situations would include procurement of proprietary items, items with limited sources of supply and items where there is suspicion of a cartel formation. The justification and details of such negotiations should be duly recorded and documented without any loss of time.
- ii. In cases where a decision is taken to go for re-tendering due to the unreasonableness of the quoted rates, but the requirements are urgent and a re-tender for the entire requirement would delay the availability of the item, thus jeopardizing the essential operations, maintenance and safety, negotiations would be permitted with L-1 bidder(s) for the supply of a bare minimum quantity. The balance quantity should however be procured expeditiously through a re-tender, following the normal tendering process.
- iii. Negotiations should not be allowed to be misused as a tool for bargaining with L-1 with dubious intentions or lead to delays in decision-making. Convincing reasons must be recorded by the authority recommending negotiations. Competent authority should exercise due diligence while accepting a tender or ordering negotiations or calling for a re-tender and a definite timeframe should be indicated so that the time taken for according requisite approvals for the entire process of award of tenders does not exceed one month from the date of submission of recommendation. In cases where the proposal is to be approved at higher levels, a maximum of 15 days should be assigned for clearance at each level. In no case should the overall timeframe exceed the validity period of the tender and it should be ensured that tenders are invariably finalized with their validity period.
- iv. It is reiterated that in case L-1 backs out, there should be a re-tender.

In view of above it is recommended that the above guidelines of necessary conditions for negotiation with vendors be followed in all purchase cases at IIT Delhi.

This has the approval of competent authority.

  
Kalyan Kr. Bhattacharjee  
Asstt. Registrar (SPS)

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