Indian Institute of Technology Delhi
Internal Audit Section

Date: 17/05/2019

Sub: Performa of Price Reasonability Certificate for ensuring reasonableness of rates and Manufacturer Authorization Form

As per Institute Purchase Rule, General Financial Rules and Manual of Procurement of Goods, it is the responsibility of the procuring authority that the procuring authority should satisfy itself that the price of the selected offer is reasonable and consistent with the quality required. Prices should be reasonable in comparison to market values.

In each/following cases, reasonability of prices needs to be ensured.

(i) Sometimes, against advertised/limited tender cases, the Procuring Entity may not receive a sufficient number of bids and/or after analysing the bids, ends up with only one responsive bid – a situation referred to as ‘Single Offer’.

(ii) Procurements on a Single Tender Inquiry (STI) basis should be made from reputed firms after determining reasonableness of rates.

(iii) Even in the cases of lowest tender, it is to be ensured by the Procuring authority that the quoted price is reasonable and consistent with the quality required.

In view of the above, it is suggested that a Performa as developed/prepared by the Audit for ‘Price reasonability certificate’ may be inserted in the tender document to ascertain the reasonableness of the price for the requisite items. It will be imperative for the tenderer to submit the price reasonability certificate in the required format while uploading their documents through CPP portal. In the case of Single Tender Inquiry, the requisite format will be submitted along with the quotation and necessary documents.

A ‘Manufacturer Authorization Form’ is also developed/prepared and this may also be inserted in the tender document.

Competent Authority may approve the above performa. If approved, the above performa will be inserted in the tender document for strict compliance.
PRICE REASONABILITY CERTIFICATE
(ON THE LETTER HEAD OF THE COMPANY)

It is certified that the rates quoted against Tender No. ........................................... dated
.................................................. for the items vide our bid No. ........................................... dated
.................................................. are exclusively for supply to ACADEMIC and RESEARCH Institutions and
are not more than as charged to other Govt. /PSU’s/ Autonomous bodies for similar supplies made in
recent past. It is further certified that we have offered the maximum possible discount to IIT Delhi in our
Quotation No. ........................................... dated ........................................... for
(currency) ........................................... The quoted price is the minimum. We will not offer the lower rates
to any other customer (Govt/PSU/Autonomous Bodies), till the validity of offer or execution of purchase
order, whichever is later. If they have been approved by the Director, IIT Delhi and if at any stage it has
been found that the quoted rates are higher, then in such conditions IIT Delhi, will have the right to cancel
the approved rates and to take legal action against the tenderer.

Yours faithfully,

(Name of manufacturer)

(Signature with date) (Name and designation)

Duly authorized to sign tender for and on behalf of
ORIGINAL EQUIPMENT MANUFACTURING (OEM)

MANUFACTURING AUTHORISATION FORM

Tender No.: ___________________________ Date:____________________

To
The Director,
Indian Institute of Technology Delhi,
New Delhi-110016

Dear Sir,

We manufacturers of original equipments at (address of factory) do hereby authorize M/s (Name and address of Agent) to submit a bid, negotiate and receive the order from you against your tender enquiry.

No company or firm or individual other than M/s. ___________________________ is authorized to bid, and conclude the contract in regard to this business.

We hereby extend our full guarantee and warranty as per clause ___________ of the terms and conditions NIO for the goods and services offered by the above firm.

Yours Faithfully,

(Name)

(Name & seal of manufactures)

Note:- This letter of authority should be on the letterhead of the manufacturer and should be signed by a person competent and having the power of attorney to bind the manufacturer. It should be included by Bidder in its techno-commercial unpriced bid.