

केन्द्रीय रेशम बोर्ड

(वस्त्र मंत्रालय - भारत सरकार)

केरेबो कॉम्प्लेक्स, बी.टी.एम. लेआउट,
मडियाला, बेंगलूरु-560 068.



CENTRAL SILK BOARD

(Ministry of Textiles - Govt. of India)

CSB Complex, B.T.M. Layout,
Madiwala, Bengaluru-560 068.

No.CSB-13[58]/2016-ES-II

Date:01.02.2016

To,

ALL CSB UNITS

Sir/Madam,

Sub:-Clarification in Rules 160 [xiv] of General Financial Rules, 2005
regarding award of contract to a firm which has quoted 'NIL'
consideration in the bid.

I am directed to invite a reference to the above subject and to enclose herewith copies of the following Office Memorandum / Communications received from Department of Expenditure, Ministry of Finance, New Delhi and Ministry of Commerce & Industry, Department of Commerce, New Delhi which are self-explanatory:-

- 1] Office Memorandum No.29[1]2014-PPD dated 28-01-2014; and
- 2] Communication No.31/14/1000/2014-GA dated 17-09-2014

As per the instructions contained in the OM dated 28-01-2014 that in case any manpower Agency which quotes "NIL" service charge over and above the minimum wages, the bid has to be considered as "null and void" and the concerned manpower Agency's bid has to be treated as unresponsive and its bid will not be considered.

In the communication dated 17-09-2014 issued by the Ministry of Commerce & Industry, Department of Commerce, while upholding the OM dated 28-01-2014 issued by the Department of Expenditure, Ministry of Finance have indicated that quotations offered over and above the minimum wages of the Central /State Government pertaining to Service Charges / Administrative Charges quoted by the bidder necessarily has to be over and above zero percent. Zero percent includes all derivatives of Zero upto 0.9999 [1%] and thereof. Further, it is also indicated that the said clause has to be mentioned in the bid document itself that "if the firm quotes "Nil" / consideration, the bid shall be treated as unresponsive and will not be considered.



पो.बा.सं/ P.B. No. : 6825

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Eco Friendly Indian Silks

Accordingly, all the Institutes / units the CSB are requested to follow the contents of the above memorandum and indicate the conditions while inviting tenders.

This issues with the approval of the Competent Authority.

Yours faithfully,



[Yadunatha Rao, A.N.]
Deputy Director [A&A]

Encl: As stated

No.29(1)/2014-PPD
Ministry of Finance
Department of Expenditure
P.P. Division

North Block, New Delhi,
Dated 28th January, 2014

OFFICE MEMORANDUM

Subject - Clarification in Rule 160(xiv) of General Financial Rules, 2005 –
regarding award of contract to a firm which has quoted "NIL"
consideration in the bid.

The undersigned is directed to invite attention to the provision of Rule 160 (xiv) of GFRs, 2005 which inter-alia states that the "Contract should ordinarily be awarded to the lowest evaluated bidder whose bid has been found to be responsive and who is eligible and qualified to perform the contract satisfactorily as per the terms and conditions incorporated in the corresponding bidding document". Attention is also invited to Para 3.6 of the Manual on Policies and Procedures for Purchase of Goods issued by this Department which inter-alia state that "Inadequacy of consideration is not a ground for avoiding the contract".

2. A doubt has arisen as to whether award of a contract can be made against a bid with "NIL" consideration. In a recent case of hiring of manpower services, it was seen that the lowest bidder had quoted 'Nil' charges over and above the minimum wages. The issue was referred to Ministry of Law which has advised that in such cases, an agreement without consideration becomes null and void.

3. It is, therefore, decided that the Ministries/ Departments may consider inclusion of the clause in the bid documents itself that "If a firm quotes 'Nil' charges / consideration, the bid shall be treated as unresponsive and will not be considered.

SA
28-1-14
(Sanjay Aggarwal)
Director (PPD)
T.No. 23094961

To

- (i) All the Secretaries & the Financial Advisers of Ministries / Departments of the Government of India.
- (ii) Copy forwarded to C&AG (with usual No. of spare copies) and to Secretary, Union Public Service Commission, etc. as per standard endorsement list).

SA
28-1-14
(Sanjay Aggarwal)
Director (PPD)
23094961

Udyog Bhawan, New Delhi
Dated 17th September, 2014.

QUOTATION OF SERVICE CHARGES IN CONTRACTS/TENDERS

Subject: Circular for fixing the services of an agency of quotations regarding:-

Department of Commerce upholding ministry of Finance, Department of Expenditure ruling on the subject issues directives that quotations offered over and above the minimum wages of the Central / State Government (as applicable) pertaining to Service Charges / Administrative Charges quoted by the bidder necessarily has to be over and above Zero percent. Further zero percent includes all derivatives of Zero upto 0.9999 and thereof. Any Service charge not adhering to the above guidelines should be considered unresponsive and such bid should not be considered.

Copy to:-

1. Technical Director, NIC, Department of Commerce, Udyog Bhawan, New Delhi.
2. All Ministries/Department of Govt. of India. They are requested to give this circular wide publicity amongst all the vendors, if any, already registered with them.


(Name of Minister)
Secretary (GA Section)


Secretary
Ministry of Commerce & Industry
Udyog Bhawan, New Delhi

