



Annexure 9: sample Prequalification criteria

(Refer Para 4.14.3)

Criteria 1 - Experience and Past Performance:

- a) The bidder (*manufacturer or principal of authorised representative – hereinafter referred simply as 'The Bidder'*) should have regularly for at least the last [*three*²⁸] years, ending 31st March (or any other year ending followed in relevant country) of the previous financial year (*hereinafter called 'The relevant Date'*), manufactured and supplied (*/erected/commissioned*)²⁹ [*Name of Requirement*], with the same or higher specifications [*having/with – parameters*³⁰] (*hereinafter called 'The Product'*), and
- b) 'The bidder' should have manufactured and supplied (*/erected/commissioned*)²⁹ at least [*_____*³¹] numbers (*herein after referred as 'The Qualifying Quantity'*) of 'The Product' in at least one of the last five years ending on 'The relevant Date', and out of which
- c) (At least [*one*³²] numbers of offered version/model of 'The product' should be in successful operation for at least [*two*³²] years on the date of bid opening.)²⁹

Criteria 2 - Capability- Equipment & manufacturing Facilities:

'The bidder' must have an annual capacity to manufacture and supply (*/erected/commissioned*)²⁹ at least 'The Qualifying Quantity'.

Note: In case of multiple products in a tender, this criterion shall be applicable product wise. For example, in case of Printing Paper of different specifications/sizes, it shall be applicable to quantity of paper manufactured and supplied specification/size wise.

Criteria 3 - Financial Standing – under all conditions

- (a) The average annual financial turnover of 'The bidder' during the last three years, ending on 'The relevant Date', should be at Rs. [] millions³³ (or equivalent in foreign currency at exchange rate prevalent on 'The Relevant Date') as per the annual report (audited balance sheet and profit & loss account) of the relevant period, duly authenticated by a Chartered Accountant/Cost Accountant in India or equivalent in relevant countries.
- (b) Bidder Firm (manufacturer or principal of authorised representative) should not have suffered any financial loss for more than one year during the last three years, ending on 'The Relevant Date'.

²⁸Change number of years if needed

²⁹Add text within bracket in case of Plant and Machinery only and delete for others

³⁰Insert the defining parameters like Speed or defining technology here

³¹Fix the quantity as 40 – 80 % or any other % of the quantity in the Bid Documents rounded upto next whole number. In case of uncommonly large quantity procurements, a lower percentage would ensure that otherwise capable suppliers do not get ruled out. In case of smaller procurements, a higher percentage would ensure that low capability vendors do not vitiate competition.

³²Fill up a reasonable number. In a new technology product, the Manufacturer is not likely to meet the requirements number of products or of number of years' operating successfully; hence these can be reduced in such cases.

³³Fix the value as 40 – 80 % or any other % of the estimated cost of the quantity in the Bid Document. Please note that Rs 1 Cr = Rs 10 million.



- (c) The net worth of the Bidder firm (manufacturer or principal of authorised representative) should not be negative on 'The Relevant Date' and also ii) should have not eroded by more than 30%(thirty percent) in the last three years, ending on 'The Relevant Date'.

Note: In case of Indian Bidders/companies (manufacturer or principal of authorised representative) who have been restructured by Banks in India, under the statutory guidelines, they would be deemed to have qualified the Financial standing criteria considering the institutional financial backing available to them.

Applicability in Special Cases:

- a) Applicability to 'Make in India' :Bidders (manufacturer or principal of authorised representative) who have a valid/approved ongoing 'Make in India' agreement/program and who while meeting all other criteria above, except for any or more of sub-criteria in Experience and Past Performance above, would also be considered to be qualified provided:
- i) their foreign 'Make-in-India' associates meets all the criteria above without exemption, and
 - ii) the Bidder submits appropriate documentary proof for a valid/approved ongoing 'Make in India' agreement/program.
 - iii) the bidder (manufacturer or principal of authorised representative) furnishes along with the bid a legally enforceable undertaking jointly executed by himself and such foreign Manufacturer for satisfactory manufacture, Supply (and erection, commissioning if applicable) and performance of 'The Product' offered including all warranty obligations as per the general and special conditions of contract.
- b) Authorized Representatives: Bids of bidders quoting as authorised representative of a principal manufacturer would also be considered to be qualified, provided:
- i) their principal manufacturer meets all the criteria above without exemption, and
 - ii) the principal manufacturer furnishes a legally enforceable tender-specific authorisation in the prescribed form assuring full guarantee and warranty obligations as per the general and special conditions of contract; and
 - iii) the bidder himself should have been associated, as authorised representative of the same or other Principal Manufacturer for same set of services as in present bid (supply, installation, satisfactorily commissioning, after sales service as the case may be) for same or similar 'Product' for past three years ending on 'The Relevant Date'.
- c) For Existing successful Past Suppliers: In case the bidder (manufacturer or principal of authorised representative) who is a successful past supplier of 'The Product' in at least one of the recent past [three]²⁸ procurements, who do not meet any or more of requirements above, would also be considered to be qualified in view of their proven credentials, for the maximum quantity supplied by him in such recent past.
- d) Joint Ventures and Holding Companies: Credentials of the partners of Joint ventures cannot (repeat cannot) be clubbed for the purpose of compliance of PQC in supply of Goods/Equipment, and each partner must comply with all the PQC criteria independently.



However for the purpose of qualifying the Financial Standing Criteria, the Financial Standing credentials of a Holding Company can be clubbed with only one of the fully owned subsidiary bidding company, with appropriate legal documents proving such ownership.

Note for Bidders:

- a) 'Doctrine of Substantial Compliance': The Pre-Qualification Bidding (PQB) and Pre-Qualification Criteria (PQC) are for short listing of sources who are competent to perform this contract to ensure best value for money from expenditure of Public Money. This process is neither intended to bestow any entitlement upon nor to create any rights or privileges for the Bidders, by way of overly hair-splitting or viciously legalistic interpretations of these criteria, disregarding the very rationale of the PQB and PQC. Keeping this caveat in view, interpretation by Procuring Entity would be based on common usage of terminologies and phrases in public procurement in accordance with the 'Doctrine of Substantial Compliance' and would be final.
- b) Along with all the necessary documents/certificates required as per the tender conditions, the bidder should furnish a brief write-up, backed with adequate data, explaining his available capacity (both technical and financial), for manufacture and supply of the required goods/equipment, within the specified time of completion, after meeting all their current commitments.
- c) Supporting documents submitted by the bidder must be certified as follows:
 - i) *All copy of supply/work order; respective completion certificate and contact details of clients; documents issued by the relevant Industries Department/National Small Industries Corporation (NSIC)/manufacturing licence; annual report, etc., in support of experience, past performance and capacity/capability should be authenticated by the by the person authorised to sign the tender on behalf of the bidder. Original Documents must be submitted for inspection, if so demanded.*
 - ii) *All financial standing data should be certified by certified accountants, for example, Chartered Accountants/Cost Accountants or equivalent in relevant countries; and Indian bidder or Indian counterparts of foreign bidders should furnish their Permanent Account Number.*

Note for Purchaser

Portions in italics are for your decision/guidance; these are not to be printed in the bid documents. Portion within [] brackets are to be filled without brackets. Footnotes are for internal guidance and should not be part of the bid documents.