

**INDIAN COUNCIL OF AGRICULTURAL RESEARCH  
KRISHI BHAVAN: NEW DELHI**

F.No. 22(1)/2016-CDN (A&A)-Vol-II

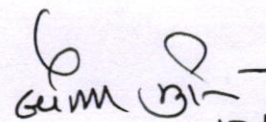
Dated the 17 February, 2020

**ENDORSEMENT**

**Sub: Global Tenders; and Predatory Pricing/ Abnormally Low Bids – reg.**

Ministry of Finance, Department of Expenditure, Public Procurement Division has issued an O.M. No.12/17/2019-PPD dated 06.02.2020 regarding Global Tenders and also an O.M. No.12/17/2019-PPD dated 06.02.2020 regarding Predatory Pricing/ Abnormally Low Bids.

As approved by the Competent Authority, the two O.M.s No.12/17/2019-PPD dated 06.02.2020 of Ministry of Finance, Deptt. of Expenditure has been posted on the ICAR Web-Site [www.icar.org.in](http://www.icar.org.in) for information, guidance and compliance.

  
17/2/2020  
(Saurabh Muni)

**Finance & Accounts Officer**

Enclosed as above

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No.F.12/17/2019-PPD  
Government of India  
Ministry of Finance  
Department of Expenditure  
Procurement Policy Division  
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Room No.512, Lok Nayak Bhavan,  
New Delhi dated the 6<sup>th</sup> February, 2020.

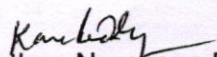
**OFFICE MEMORANDUM**

**Subject: Global Tenders.**

Attention is once again invited to Rule 161(i) of General Financial Rules (GFR) 2017, which stipulates that while making procurement of goods of estimated value of Rs.25 lakh and more, open advertisement should be given on Central Public Procurement Portal (CPPP) and Government e-Marketplace (GeM). Hence, by default all procurements are to be done through non-global bids only (*Global tenders are similar to open tenders with the additional provision of payments in specified foreign currencies as well*). Only in the exceptional cases, where Ministry or Department feels that the goods of required quality, specifications etc. may not be available in the country and it is necessary to look for suitable competitive offers from abroad, global tenders are permitted (Rule 161 (iv) of GFRs).

2. The same is also amplified in para 4.3.1 of Manual for Procurement of Goods 2017 issued by this Department, which stipulates that while issuing Global Tenders, development of local industry also needs to be kept in mind. It further stipulates that Global Tender is viable only when the goods of required specifications and their alternatives are not available in the country **or** there is absence of a sufficient number of competent domestic bidders complying with the required technical specifications, and in case of suspected cartel formation among indigenous bidders.

3. All Ministries/ Departments are requested to adhere to the above while making any procurement and ensure that reasons are recorded in writing.

  
(Kotluru Narayana Reddy)  
Deputy Secretary to the Govt. of India  
Tel.No.24621305  
Email: kn.reddy@gov.in

To,

Secretaries of all Central Government Ministries/ Departments



No.F.12/17/2019-PPD  
Government of India  
Ministry of Finance  
Department of Expenditure  
Procurement Policy Division

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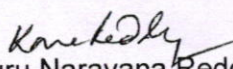
Room No.512, Lok Nayak Bhavan,  
New Delhi dated the 6<sup>th</sup> February, 2020.

**OFFICE MEMORANDUM**

**Subject: Predatory Pricing/ Abnormally Low Bids – Reg.**

It has come to the notice of this Department that procurement entities are facing difficulties in finalization of tenders, in cases of predatory pricing/ abnormally low bids. In this connection, para 7.5.7 of the Manual for Procurement of Goods, 2017 issued by Department of Expenditure is being reiterated for information:

*An Abnormally Low Bid is one in which the bid price, in combination with other elements of the Bid, appears so low that it raises material concerns as to the capability of the bidder to perform the contract at the offered price. Procuring Entity may in such cases seek written clarifications from the bidder, including detailed price analyses of its bid price in relation to scope, schedule, allocation of risks and responsibilities, and any other requirements of the bids document. If, after evaluating the price analyses, Procuring Entity determines that the bidder has substantially failed to demonstrate its capability to deliver the contract at the offered price, the Procuring Entity may reject the bid/proposal. However it would not be advisable to fix a normative percentage below the estimated cost, which would be automatically be considered as an abnormally low bid. Due care should be taken while formulating the specifications at the time of preparation of bid document so as to have a safeguard against the submission of abnormally low bid from the bidder.*

  
(Kotluru Narayana Reddy)  
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To,

Secretaries of all Central Government Ministries/ Departments