

BUSINESS RULES AND TERMS & CONDITIONS OF REVERSE AUCTION

Reverse Auction event will be carried out among the Technically Qualified Bidders, for providing opportunity to the Bidders to quote the price dynamically for the procurement for which RFP is floated

A) Definitions :

- 1) “Bank” means Bank of India
- 2) “Service Provider” means the third party agency / company who has been selected by the Bank for conducting Reverse Auction.
- 3) “L1” means the Bidder who has quoted lowest price in the Reverse Auction process.
- 4) “L2” means the Bidder who has quoted second lowest price in the Reverse Auction process.

B) Eligibility of Bidders to participate in Reverse Auction :

- 1) Bidders who are technically qualified in terms of the relative Terms & Conditions of the RFP and accept the Business Rules, Terms & conditions of Reversion Auction and submit the undertakings as per Annexure-A , can only participate in Reverse Auction related to the procurement for which RFP is floated. Bidders not submitting the above undertaking or submitting with deviations / amendments thereto, will be disqualified from further evaluation / participation in the process of relevant procurement.
- 2) Bidders should ensure that they have valid digital certificate well in advance to participate in the Reverse Auction. Bank and / or Service Provider will not be responsible in case Bidder could not participate in Reverse Auction due to non-availability of valid digital certificate.

C) Training :

- 1) Bank will engage the services of Service Provider to provide necessary training to representatives of all eligible Bidders for participation in Reverse Auction. All rules & procedure related to Reverse Auction will be explained during the training.
- 2) Date, Time, Venue etc of training will be advised at appropriate time.
- 3) Eligible Bidder / his authorized nominee has to attend the training as per the schedule and at the specified venue at the his / Bidder’s own cost.

- 4) No request from the Bidders for change in training schedule and/or venue will be entertained.
- 5) However, Bank reserves the right to postpone / change / cancel the training schedule for whatsoever reasons without assigning any reasons therefor, even after its communication to eligible Bidders.
- 6) Any Bidder not participating in the training process will do so at his own risk.

D) Reverse Auction Schedule:

- 1) The date & time of start of Reverse Auction and its duration of time will be informed to the eligible Bidders well in advance at least a week before the Reverse Auction date.
- 2) Bank reserves the right to postpone / change / cancel the Reverse Auction event even after its communication to Bidders without assigning any reasons therefor.

E) Bidding Currency :

Bidding will be conducted in Indian Rupees (INR).

F) Start Price :

Bank will determine the Start Price for Reverse Auction –

- 1) on its own and / or
- 2) evaluating the price band information called for separately from each eligible Bidder at appropriate time and / or
- 3) based on the price bids received and if opened, Bank may determine the start price on the basis of the lower quote received.

G) Decremental Bid Value :

- 1) The bid decrement value will be specified by Bank before the start of Reverse Auction event. It can be a fixed amount or percentage of Start Price or both whichever is higher.
- 2) Bidder is required to quote his bid price only at a decremental value.
- 3) Bidder need not quote bid price at immediate next available lower level , but it can be even at 2/3/4 level of next available lower level .

H) Conduct of Reverse Auction event :

- 1) Reverse Auction will be conducted on a specific web portal meant for this purpose with the help of the Service Provider identified by the Bank.
- 2) Service Provider will make all necessary arrangement for fair and transparent conduct of Reverse Auction like hosting the web portal, imparting training to eligible Bidders etc., and finally conduct of Reverse Auction.
- 3) Bidders will be participating in Reverse Auction event from their own office / place of their choice. Internet connectivity and other paraphernalia requirements shall have to be ensured by Bidder themselves.
 - i) In the event of failure of their internet connectivity (due to any reason whatsoever it may be) it is the Bidders responsibility / decision to send fax communication immediately to Service Provider furnishing the bid price, they want to bid online, with a request to upload the faxed bid price online so that the service provider will upload that price online on behalf of the Bidder. It shall be noted clearly that the concerned Bidder communicating this price to service provider has to solely ensure that the fax message is received by Service Provider in a readable / legible form and also the Bidder should simultaneously check up with Service Provider over phone about the clear receipt of the bid price faxed. It shall also be clearly understood that the Bidder shall be at liberty to send such fax communications of prices to be uploaded by Service Provider only before the closure of Reverse Auction time and under no circumstances it shall be allowed beyond the closure of Reverse Auction event time. Such Bidders have to ensure that the service provider is given reasonable time by the Bidders, to upload such faxed bid prices online and if such required time is not available at the disposal of Service Provider at the time of receipt of the fax message from the Bidders, Service Provider will not be uploading the bid prices. It is to be noted that neither the Bank nor the Service Provider will be responsible for these unforeseen circumstances.
 - b) In order to ward-off such contingent situation, Bidders are advised to make all the necessary arrangements / alternatives such as back –up power supply , whatever required so that they are able to circumvent such situation and still be able to participate in the reverse auction successfully. However, the vendors are requested to not to wait till the last moment to quote their bids to avoid any such complex situations. Failure of power at the premises of vendors during the Reverse auction cannot be the cause for not participating in the reverse auction. On account of this the time for the auction cannot be extended and BANK is not responsible for such eventualities.

- 4) Bank and / or Service Provider will not have any liability to Bidders for any interruption or delay in access to site of Reverse Auction irrespective of the cause.
- 5) For making the process of Reverse Auction and its result legally binding on the participating Bidders, Service Provider will enter into an agreement with each eligible Bidder, before the start of Reverse Auction event. Without this Bidder will not be eligible to participate in the event. The format of the agreement is as per the Annexure-C.
- 6) Bidders name will be masked in the Reverse Auction process and will be given random dummy names by the Service Provider.
- 7) Bidder / his authorised representatives will be given unique Login ID & Password by Service Provider . Bidder/his authorized representative will change the Password after the receipt of initial Password from Service Provider to ensure confidentiality. All bids made from the Login ID given to the Bidders will be deemed to have been made by the concerned Bidder/his company.
- 8) Reverse auction will be conducted as per English Reverse Auction with no tie where more than one Bidder can not have identical bid price.
- 9) Any bid once made by the Bidder through registered Login ID & Password , the same can not be cancelled. The Bidder is bound to supplies as per the RFP at the bid price of Reverse Auction.
- 10) Auto Bid :
 - i) Bidder can take the advantage of Auto Bid facility available in Reverse Auction systems. Auto Bid feature allows Bidder to place an automated bid against other Bidders in an auction by confirming to one decrement and bid without having to enter a new price each time a completing, Bidder submits a new offer.
 - ii) Auto Bid facility can be used by the Bidder only once. Bidder can at no point of time during the course of the Reverse Auction, revise / delete his Auto Bid price. Bidder has the facility to revise his Auto Bid value only prior to the start of the Reverse Auction event.
 - iii) Only after the lowest price quoted by other Bidders is equal to or less than the minimum Auto Bid value put in the system by Auto Bid Bidder, he will get the option to manually bid.
 - iv) If more than one Bidder opts for the Auto Bid facility and if the lowest price quoted by more than one in Auto Bid facility is same, then the Bidder who has opted for the Auto Bid facility first will get the

advantage of being the 'L1', with the second bidder being 'L2' at a price one decrement higher than the 'L1' value and so on.

- v) If one of the Bidder has opted for the Auto Bid facility, in which the system automatically places a bid by conforming to one decrement from the bid that any of the other Bidders might have quoted. In such a case, if the manual Bidder directly quotes the same price as the lowest price which the Bidder who has opted for the auto bid facility, then the bid submitted by the manual Bidder would be accepted as the 'L1' bid. But at that point of time onwards, the manual control of the Auto Bidder would be enabled for the Auto Bidder.
 - vi) Service Provider will explain in detail about the Auto Bid during the training.
- 11) Reverse Auction will normally, be for a period of one hour. If a Bidder places a bid price in last 10 minutes of closing of the Reverse auction, the auction period shall get extended automatically for another 10 minutes. Maximum 3 extensions each of 10 minutes will be allowed after auction period of 1 hour i.e. entire process can last maximum for 1 ½ hour only. In case there is no bid price in the last 10 minutes of closing of Reverse Auction, the auction shall get closed automatically without any extension.
(The time period of Reverse Auction & Maximum number of its extensions & time are subject to change and will be advised to eligible Bidders before the start of the Reverse Auction event.)
- 12) Bidder will be able to view the following on their screen along with the necessary fields in Reverse Auction :
- i) Opening Price
 - ii) Leading / Lowest Bid Price in Auction (only total price)
 - iii) Last Bid Price placed by the respective Bidder.
- 13) During Reverse Auction, if no bid price is received within the specified time, Bank, at its discretion, may decide to revise Start Price / Decremental Value / scrap the reverse auction process / proceed with conventional mode of tendering.

I) Reverse Auction Process :

- 1) At the end of Reverse Auction event Service Provider will provide the Bank all necessary details of the bid prices and reports of Reverse Auction.
- 2) Upon receipt of above information from Service Provider, Bank will evaluate the same and will decide upon the winner i.e. Successful Bidder.

- 3) Successful Bidder has to fax the duly signed filled-in prescribed format (Annexure-B) as provided on case-to-case basis to Bank within 4 hours of Reverse Auction without fail. The Original signed Annexure-B should be couriered so as to reach us within 48 hours of Reverse Auction without fail.
- 4) Any variation between the on-line Reverse Auction bid price and signed document will be considered as sabotaging the tender process and will invite disqualification of Bidder/vender to conduct business with Bank as per prevailing procedure.
- 5) Successful Bidder has to give break-up of his last/lowest bid price as per Bill of Material at the end of Reverse auction event within 3 working days without fail.
- 6) Successful Bidder is bound to supply at their final bid price of Reverse Auction. In case of back out or not supply as per the rates quoted, Bank will take appropriate action against such Bidder and / or forfeit the Bid Security amount, debar him from participating in future
- 7) In case Bank decides not to go for Reverse Auction related to the procurement for which RFP is floated and price bids if any already submitted and available with Bank shall be opened as per Bank's standard practice.

J) Bidder's Obligation :

- 1) Bidder will not involve himself or any of his representatives in Price manipulation of any kind directly or indirectly with other suppliers / Bidders
- 2) Bidder will not divulge either his Bid details or any other details of Bank to any other party without written permission from the Bank.

K) Change in Business Rules, Terms & Conditions of Reverse Auction :

- 1) Bank reserves the right to modify / withdraw any of the Business rules , Terms & conditions of Reverse Auction at any point of time.
- 2) Modifications of Business rules , Terms & conditions of Reverse Auction will be made available on website immediately.
- 3) Modifications made during the running of Reverse Auction event will be advised to participating Bidders immediately.

Annexure-A (to be submitted on company letter head by all Bidders participating in Reverse Auction)

To,

Bank of India

Date :

Acceptance of Reverse Auction Business Rules and Terms & conditions
in respect of Tender / RFP Ref. No. _____ Dated _____
For procurement of _____
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We refer to the captioned subject and confirm that –

- 1) The undersigned is our authorized representative.
- 2) We have accepted and abide by all Terms of captioned Tender documents and Business Rules and Terms & conditions of Reverse Auction for the procurement for which RFP is floated.
- 3) Bank and Service Provider shall not be liable & responsible in any manner whatsoever for my / our failure to access & bid in Reverse Auction due to loss of internet connectivity, electricity failure, virus attack, problems with the PC, any other unforeseen circumstances etc. before or during the auction event.
- 4) We understand that in the event we are not able to access the auction site, we may authorize Service Provider to bid on our behalf by sending a fax containing our offer price before the auction close time and no claim can be made by us on either Bank or Service Provider regarding any loss etc. suffered by us due to acting upon our authenticated fax instructions.
- 5) I / We do understand that Service Provider may bid on behalf of other Bidders as well in case of above mentioned exigencies.
- 6) We also confirm that we have a valid digital certificate issued by a valid Certifying Authority.
- 7) We will participate in Reverse Auction conducted by _____ (name of Service Provider) and agree to enter into an agreement with him (Service Provider) for making the process of Reverse Auction and its result legally binding on us.
- 8) We will fax duly signed filled-in prescribed format (Annexure-B) as provided on case-to-case basis, to Bank within 24 hours of end of Reverse Auction without fail.
- 9) We will give break-up of our last / lowest bid price as per Bill of Material at the end of Reverse Auction event within 48 hours without fail.
- 10) We undertake to supply at our final lowest bid price of Reverse Auction. In case of back out or not supply as per the rates quoted by us , Bank is free to take appropriate action against us and / or forfeit the Bid Security amount, debar us from participating in future tenders.
- 11) We nominate our official Shri _____ Designation _____ of our company to participate in Reverse Auction. We authorize Bank to issue USER ID & PASSWORD to him. His official e-mail & contact number are as under – Email :
Mobile:

Signature with company seal :

Name of Authorised Representative :

Email :

Tel. No:

Designation:

Mobile :

Fax No.:

Annexure-B (to be submitted / faxed by Successful Bidder of Reverse Auction within 24 hours from the end of Reverse Auction event)

To,
Bank of India

Date :

Sir,

Final / Lowest Bid Price quoted in Reverse held on _____
in respect of Tender / RFP Ref. No. _____ Dated _____
For procurement of _____
=====

We confirm that the final total bid price quoted by us in the captioned Reverse Auction event for captioned tender is as under –

Rs. (in figure) : _____

Rs. (in words) : _____

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We confirm that -

- 1) We enclose herewith the detailed break-up of above price as per Bill of Material

OR

- We undertake to give detailed break-up of above bid price as per Bill of Material within 48 hours from the end-of Reverse Auction event.

- 2) Any variation between the on-line Reverse Auction bid price quoted by us and this document will be considered as sabotaging the tender process and will invite disqualification of Bidder/vender to conduct business with Bank as per prevailing procedure. In such case Bank is free to take appropriate action and / or forfeit the Bid Security amount and / or debar him from participating in future
- 3) We are bound to supply at the above final bid price of Reverse Auction.
- 4) We note that in case of back out or not supply as per the above rates quoted by us, Bank will take appropriate action against us and / or forfeit our Bid Security amount and / or debar him from participating in future

Signature with company seal :
Name of Authorised Representative :
Designation :
Email :
Mobile :
Tel. No :
Fax No :

Annexure- C : Process Compliance Form

(The Bidders are required to print this on their company's letter head and sign, stamp before faxing to Service Provider)

To
(Name & Address of Service Provider)

Sub:Agreement to the Process related Terms and Conditions
for the Reverse Auction

Dear Sir,

This has reference to the Terms & Conditions for the Reverse Auction mentioned in the Tender document for procurement of Hardware against the Tender No. _____

This letter is to confirm that:

- 1) The undersigned is authorized representative of the company.
- 2) We have studied the Commercial Terms and the Business rules governing the Reverse Auction and the RFP as mentioned in your letter and confirm our agreement to them.
- 3) We also confirm that we have taken the training on the auction tool and have understood the functionality of the same thoroughly.
- 4) We confirm that _____(Bank) and _____(Service Provider) shall not be liable & responsible in any manner whatsoever for my/our failure to access & bid on the e-auction platform due to loss of internet connectivity, electricity failure, virus attack, problems with the PC, any other unforeseen circumstances etc. before or during the auction event.
- 5) We understand that in the event we are not able to access the auction site, we may authorize _____(Service Provider) to bid on our behalf by sending a fax containing our offer price before the auction close time and no claim can be made by us on either _____(Bank) or _____(Service Provider) regarding any loss etc. suffered by us due to acting upon our authenticated fax instructions.
- 6) I/we do understand that _____(Service Provider) may bid on behalf of other Bidders as well in case of above mentioned exigencies.
- 7) We also confirm that we have a valid digital certificate issued by a valid Certifying Authority.
- 8) We also confirm that we will fax the price confirmation & break up of our quoted price as per Annexure B as requested by _____(Bank) / _____(Service Provider) within the stipulated time.

We, hereby confirm that we will honour the Bids placed by us during the auction process.

With regards

Signature with company seal

Name –

Company / Organization –

Designation within Company / Organization –

Address of Company / Organization –