

✓ SHOPPING

The following consideration should be kept in view for adopting this procedure:

- Shopping is a Procurement method based on comparing price quotations obtained from several national suppliers, usually at least three to ensure competitive prices.
- Shopping is intended to be a simple and rapid procurement method and is one of the least competitive procurement methods and may be abused unless it is carried out in compliance with legal agreements and observing a minimum formality in the process and with appropriate record keeping for verification and audit.
- Shopping should not be used as an expedient to by-pass more competitive methods or fraction large procurement into smaller ones solely to allow the use of Shopping.
- To procure small amounts of off-the-Shelf goods or Standard Specification Commodities or simple civil works for which more competitive methods are not justified on the basis of cost or efficiency
- Request for quotation shall be written and sent by letter, fax, telex, etc (with proof of receipt and record keeping) and can also be displayed in the Institute website;
- The request shall include the description and quantity of the goods as well as the required delivery time and place for the goods or services, including any installation requirements as appropriate;
- The request shall indicate the date by which the quotations are needed.
- Prices for goods supplied from within the country (including previously imported items) are requested to be quoted ExW (ex-works, ex-factory, ex-warehouse, ex-showroom or off-the-shelf, as applicable) including all custom and excise duties and sale and other taxes already paid or payable on the raw materials and components; for goods offered from abroad (i.e., not previously imported) prices are requested CIF or CIP or DDU basis (in case of large purchases).
- In case of civil works prices shall be requested inclusive of all taxes and duties payable by the contractor.
- Requests should be addressed to more than three firms that are reputable, well established and are suppliers of the goods or services being purchased, as part of their normal business (after verifying whether those being invited will make an offer or not) to ensure at least three quotations are received; In case unsolicited quotations are received, they may be accepted after carrying out a similar due diligence exercise to verify the nature and reputation of firm.

- Quotation should be submitted in writing i.e., by fax, telex, or letter (copies to be kept for records).
- No bid securities are required.
- Normally, requests for quotes should indicate the expected date of submission of quotes with a minimum of 14 days from the date of issue of request.
- If the Purchaser has not received at least three quotations within the time set, it should verify with the suppliers who have not submitted quotation, whether they intend to do so and how soon.
- Quotation should be compared after adding to the quoted price for goods, the estimated cost of inland transportation and insurance, if any, to the final destination. The lowest responsive offer is selected.
- Purchaser may exercise discretion in selecting a quotation that is not the lowest priced as far as there is good technical justification on the quality of the offered item, suitability of delivery schedule, etc. In such cases, such requirements should be indicated in the request for quote as well as in the evaluation note.
- Award decision and its rationale should be documented/ and kept for review by audit by the Bank (or by the Bank's auditors) as needed. The record should contain the list of firms invited, and the list and value of quotations received, comparative statements etc. The documents should clearly show that the award is based on sound technical and commercial criteria.
- Purchase order shall incorporate the terms of accepted offer.

✓ **DIRECT CONTRACTING**

The procedure for Direct Contracting may be adopted if any one of the following conditions is met.

- In case of articles including equipment/books, which are specifically certified as of proprietary in nature, or where only a particular firm is the manufacturer of the articles demanded.
- Standardization of equipment or spare parts to be compatible with existing equipment may justify additional purchases from the original supplier.
- Extension of existing contracts for goods/works awarded with the prescribed procedures, justifiable on economic grounds.
- Works are small and scattered or are situated in remote locations where mobilization costs for contractors would be unreasonably high.

IMPORTANT ASPECTS OF SHOPPING

Important Aspects	Brief Description
Advertisement	No need for advertisement in newspapers, however the advertisement can be displayed in the Institution website.
Minimum Quotations	3 quotations.
Time for Bid Submission	Not less than 2 weeks.
Negotiation	There should not be any negotiations either for price or terms & conditions of the tender submitted with suppliers.
Validity of Tender	1. Bidders shall be required to submit tender valid for the period specified in the tender documents. 2. Generally 30 to 40 days for Shopping.
Earnest Money/ Bid Security	Not required.
Examination of Tenders	1. The Procurement Authorities entrusted with evaluation of tenders shall ascertain whether the tenders: <ul style="list-style-type: none"> ▪ meet the eligibility requirements specified; ▪ have been properly signed; ▪ are valid for the period specified in the tender document; ▪ are substantially responsive (commercially and technically) to the tender documents; and ▪ are otherwise generally in order. 2. If the bidder meets the above stipulations indicated in the bid documents, it is determined as substantially responsive and is considered further for evaluation.
Terms & Methods of Payment	Payment terms should be 90% payment after delivery to the consignee and balance 10% after acceptance of the goods or in accordance with the practices applicable to the specific goods and works.