

Manual 3

The Procedure followed in the decision making process, including channels of supervision and accountability

The procedure under section – 9 of GID Act for International Competitive Bidding

- A Techno Economic feasibility study is carried out by GIDB/Government department which is approved in GIDB.
- Project is put up for Competitive Bidding by the steering committee/ implementing agency.
- The process followed is as under :
 - Advertise for Pre-qualification Pre-qualify on three areas: legal, financial capability and experience
 - RFP Two-stage bidding process: technical and financial
 - Bid security and performance security required for bidders

On selection of the Developer, the proposal along with the final negotiated Concession agreement is forwarded to GIDB for approval.

- The GIDB Sector official evaluates the proposal and puts up to the Board for recommendation.
- On recommendation of the GIDB Board, the Concession agreement gets formal approval of the Government and is executed by the implementing agency.

The procedure under section 10 of GID Act for Challenge Route

- One can divide the unsolicited proposal process into three stages –
 - – (a) acceptance by the procurer (Government) that the project prima facie is of interest,
 - (b) detailed negotiations to arrive at a consensus on the project parameters and documentation which becomes binding on the procurer and the developer, and
 - c) competitive bidding on functional specifications of the project through the Challenge Route.
- At the first stage, the underlying approach is to establish that the project will meet the requirements of the procurer, it can be delivered in a reasonable time-frame and that the project developer will be able to do it.
- In the second stage, having established the need for the project and the suitability of the project/developer, the underlying approach is to firm up the price of the goods/services and the risk structure while at the same time evolve criteria for the competitive bid stage.
- In the third stage, the project is put to Challenge. The pre-qualifying criteria for the competition are the same as that used for assessing the project developer. The Project Agreements are provided as *fait accompli* with clear instructions that none of the agreements would be amended or are subject to any negotiations. The Minimum Functional Specifications are provided against which the potential bidders are allowed to bid.