ANNEXURE 13: BUSINESS RULES FOR ONLINE REVERSE AUCTION

A. Introduction:

Online Reverse auction shall be conducted by LIC through its authorized e-tender service provider, on pre-specified date.

The applicant bidders shall be quoting from their own offices/ place of their choice. Internet connectivity and other paraphernalia requirements shall have to be ensured by applicant bidders themselves.

B. Eligibility of Applicant bidders to participate in Online Reverse Auction:

1. Applicant bidders, who are technically qualified as per the requirements of the RFP, accept the Business Rules for online reverse auction and submit undertaking (Annexure-14 to this RFP) can only participate in Online Reverse Auction.
2. Applicant bidders not submitting the undertaking given in Annexure-14 or submitting with deviations/amendments thereto will be disqualified from further evaluation/ participation in the process of relevant procurement.
3. Applicant bidders should ensure that they have valid class 2 or class 3 digital Certificate well in advance to participate in the Online Reverse Auction. LIC and / or Service Provider will not be responsible in case Bidder could not participate in Online Reverse Auction due to non-availability of valid digital certificate. Under no circumstances will the applicant bidders be allowed to participate in the Reverse Auction without Digital certificate.

C. Training:

1. LIC will engage the services of Service Provider to provide necessary online training to representatives of eligible applicant bidders for participation in Online Reverse Auction. All rules & procedure related to Online Reverse Auction will be explained during the said online training, by the service provider.
2. Date, Time, Venue for training will be informed to eligible applicant bidders by LIC and/or service provider. LIC/e-tender service provider will endeavor to fix the date and time of training considering the convenience of all stakeholders. Requests for change of the training schedule shall be considered at the sole discretion of LIC.
3. Eligible applicant bidder / his authorized nominee must attend the training as per the schedule and at the specified venue at bidder's own cost. Applicant bidders should attend the online training with their own Desktops/Laptops and internet connectivity.
4. Any applicant bidder not participating in the training process will do so at his own risk.
5. However, LIC reserves the right to postpone / change / cancel the training schedule for whatsoever reasons without assigning any reasons there for, even after its communication to eligible applicant bidders.
6. The e-tender service provider may conduct a mock reverse auction if required.

D. Online Reverse Auction Schedule:

LIC will inform details of the reverse auction (like event date, start time, duration, bid decrement, extensions, etc.) to the eligible applicant bidders at least 7 days prior to the date of the proposed auction to enable them to participate in the reverse auction.

LIC reserves the right to postpone / change / cancel the Online Reverse Auction event even after its communication to applicant bidders without assigning any reasons thereof. Intimation of any such change will be provided to applicant bidders.

E. Bidding Currency:

Bidding will be conducted in Indian Rupees (INR). All applicant bidders are required to quote Total Cost as per Annexure-3 during the online reverse auction.

F. Bid Price:

Bid price: The Bidder must quote the total cost exclusive of all taxes. All taxes (e.g. GST) will be reimbursed by LIC subject to vendor providing proof of tax payments.

Every successive bid accepted by the system shall automatically replace the previous Bid(s) placed by the bidder. The final successful bid shall prevail over all the previous bids placed by the respective bidder and the same shall be treated as final and binding on the respective applicant bidder.

G. Online Reverse Auction Process:

1. Online Reverse Auction will be conducted on a specific web portal meant for this purpose

2. Service Provider will make all necessary arrangement for fair and transparent conduct of Online Reverse Auction like hosting the web portal, imparting training to eligible Applicant bidders etc., and finally conduct of Online Reverse Auction.

3. Applicant bidders will be participating in Online 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.

4. To ward-off any contingent situation, applicant bidders are advised to make all the necessary arrangements / alternatives (such as back –up power supply, internet connectivity etc.) whatever required so that they can circumvent such situation and still be able to participate in the Online Reverse Auction successfully. However, the applicant bidders are requested to not to wait till the last moment to quote their bids to avoid any such complex situations. Neither the Service Provider nor LIC will be responsible for any lapses/failure on the part of the bidder, in such cases.

5. Failure of internet connection, power etc. at the premises of applicant bidders during the Online Reverse Auction cannot be the cause for not participating in the Online Reverse Auction.
   It is to be noted that either LIC or above e-tender service provider cannot be held responsible for consequential damages such as no power supply, system problem, inability to use the system, loss of electronic information, power interruption, UPS failure, etc.

6. LIC and / or Service Provider will not have any liability to Applicant bidders for any interruption or delay in access to site of Online Reverse Auction irrespective of the cause.

7. Applicant bidders name will be masked in the Online Reverse Auction process and will be given random dummy names by the Service Provider.

8. Log-in name & password: Bidder/his authorized representative will be given a single unique Login ID, alias & 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 Applicant bidders will be deemed to

have been made by the concerned Bidder/his company.

9. All technically qualified applicant bidders must login into the system and enter start bid which should be either equal to or less than the total cost quoted by them in indicative Financial Proposal Proforma (Annexure-3) submitted by them in response to RFP. Logging into the system and entering start bid as specified here only will amount to participating in reverse auction.

10. Only those applicant bidders, who will quote the start-bid amount as explained above, will be considered for further evaluation.

11. The applicant bidder, who does not place start bid will be treated as not interested party and will not be considered for further evaluation.

12. Any bid made by the applicant bidder through such login id cannot be cancelled and the bidder is bound by the bids and shall honor the commitments arising out of such bids. Failure to honor such commitments shall be liable for forfeiture of the EMD, which the applicant bidders agree to.

13. During Online Reverse Auction, if less than 2 bids including the start bid as mentioned in point 9 above is received within the specified time, LIC, at its discretion, may decide to scrap or re-conduct the Online Reverse Auction process or proceed with conventional mode of tendering.

14. LIC will declare the decrement amount, which shall be visible to the all applicant bidders during the start of the reverse rank Auction. The price quoted by the bidders shall not be shown to other bidders; Each Applicant bidder can see only his/her relative position i.e. only rank of the bidder shall be visible to the respective bidder.

    Except the start bid as explained in point number 9, bidders should enter all bids considering the “Bid Decrement” and the previous bid placed by him. The amount quoted by applicant bidder in any bid (except start bid) must be less than the previously bidden price by him with one decrement or multiple of decrement.

    To begin with, the bidders would be provided 30 minutes time. This time will be used by applicant bidders to check login, the fields displayed in the auction portal and place his/her start-bid. Please note that the start bid made by an applicant bidder should be equal to or lesser than the quoted amount in response to RFP. The rank of the applicant bidders because of start bids entered by them would be displayed on the screen at the end of 20 minutes.

15. **Duration of auction:** After (14) above the auction will be held which would be initially of 30 minutes duration. In case there is any acceptable bid quoted by any bidder within 10 minutes prior to the closing of the auction, the auction will be extended by another 10 minutes. Such extension will be allowed to continue till no quote is placed within extended time. If the same price is quoted by more than one bidder, then such applicant bidders will be ranked on first come, first rank basis.

16. For the reverse auction, technically qualified applicant bidders are expected to revise their commercial/ financial bids (total cost quoted in indicative financial proposal) appropriately so as to increase their ranks.

17. **Visibility to bidder:** The Bidder shall be able to view the following on his screen along with the necessary fields during Reverse Auction:

a) Bid Placed by the bidder
b) Bid decrement value
c) Bidder’s rank in the auction which would be purely based on price quote without identifying the details of other applicant bidders

18. At the end of reverse auction event, the lowest commercial/ financial bid value will be displayed on the reverse auction system without disclosing the details of corresponding bidder.

H. Conclusion of Online Reverse Auction Process:

1. At the end of Online Reverse Auction Event Service Provider will provide the LIC all necessary details of the bid prices and reports of Online Reverse Auction. The Service provider shall also archive the data for the period as may be required by LIC.

2. All participating applicant bidders must submit the final bid price as quoted by them at the close of the Reverse Auction event in the format “Price Confirmation letter” enclosed with this document and revised financial proposals (Annexure-3) within 24 hours of completion of Online Reverse Auction without fail. Scanned copy of these are also to be submitted to contact E-mail id as given in Activity and Time Schedule.

It should be consistent with the information provided by the service provider and LIC will evaluate the same. Based on the commercial/financial bids declared by the Bidders during the Online Reverse Auction, the Bidders will be categorized as L1, L2, L3 etc. (in ascending order, i.e. L1 being the Bidder with the lowest commercial/financial bid, followed by L2 with the next lowest score and so on. Any variation between the Online Reverse Auction bid price and signed document will be considered as sabotaging the tender process and will invite disqualification of Bidder/vendor to conduct business with LIC as per prevailing procedure.

I. Bidder’s other obligations:

1. Applicant bidders by themselves or their representatives shall not involve with other applicant bidders in any price manipulation directly or indirectly. LIC shall disqualify the applicant bidders from the Reverse Auction process, in the event of such practices coming to its notice.
2. Applicant bidders shall not disclose details of the bids or other details of the Reverse Auction process with other third parties without the prior written consent of LIC.

J. Other terms and conditions:

1. LIC reserves the right to modify / withdraw Business rules for reverse auction at any point of time. Modifications / Withdrawal of Business rules for reverse auction will be communicated through standard electronic means. Modifications if any made during the running of Online Reverse Auction event will be advised to participating Applicant bidders immediately.

2. LIC along with above e-tender service provider shall at its sole discretion, decide on to extension, rescheduling or cancellation of the auction in the event of force majeure or another situation. However, LIC will communicate the decision to postpone the auction to all eligible applicant bidders before the scheduled commencement of the auction or even during the auction. Above e-tender service provider/LIC shall not have any liability to Applicant bidders for any interruption or delay in access to the site irrespective of the cause.

3. Regarding matters or areas of material concern relating to Reverse Auction not specifically dealt with in the Business Rules, the decision of LIC shall be final and binding on all concerned.

4. LIC’s decision on award of Contract shall be final and binding on all the Applicant bidders.

Price Confirmation Letter

(The applicant bidders are required to print this on their company's letter head and sign, stamp before mailing)

To,
Executive Director (INVR)
LIC of India, Central Office
"Yogakshema", 6th floor, East wing
Jeevan Bima Marg, Nariman point
Mumbai 400 021,
Maharashtra, India.

Sub: Final price quoted during reverse auction with reference to RFP for "Setting up of Enterprise Risk Management (ERM) processes across LIC" (Ref: LIC/CO/INVR/ERM-SV/RFP/2019-20 dated 13th Aug 2019)

Dear Sir,

We confirm that we have quoted ------------------------------- in figures) (Rupees _____________ (in words) as our final price quoted under above RFP at the reverse auction held on___________________.

Signature of Authorized signatory (in full and initials)
Name and Title of Signatory:
Name of the Firm:
Address and Contact Details
Address:
E-mail ID:
Contact Number: