



भारत कोकिंग कोल लिमिटेड

Bharat Coking Coal Limited

(A Mini Ratna Company)

(A Subsidiary of Coal India Ltd.)

पं.का - कोयला भवन, कोयला नगर, धनबाद - 826005

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बोर्ड सचिवालय/Board Secretariat

Ref. No. BCCL:CS:F-DoP:44:84

Dated: 10.06.2024

Office Order

Sub: Interpretation of DoP for Consultancy and Service Contracts

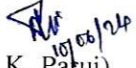
CFDs, CIL at its 339th Meeting held on 30th May, 2023 has accorded its approval to the following clarification on Interpretation of DoP for Consultancy and Service Contracts:

- Contracts in the nature of consultancy like auditors, technical experts, lawyers etc. where contracts are not having clause of EMD and/or LD and/or PBG (any one of three) are to be dealt as per Annexure 5 [Guidelines for appointment of Consultant Organizations] of DoP.
- Contracts in the nature of consultancy like preparation of DPR, feasibility reports etc. having clauses where EMD is received and/or LD clause are there in the contract and/or Performance guarantee is being taken (any one of three) is to be dealt as per Annexure I [DoP on Procurement of Goods and Award of Works & Services] of DoP.

This issues with the approval of the competent authority for compliance.

Encl:-

1. Annexure - II (DOP of ESC, CFDs, CMD & Other Executives of subsidiaries on procurement of Goods and Award of work & Services)
2. Annexure - V (Guidelines for Appointment of Consultant Organisation)


(B.K. Patui)
Company Secretary

Distribution:

1. CMD/ FDs
2. CVO, BCCL
3. GM (Finance) I/c
4. All GMs of Areas/Washeries
5. All HoDs of HQ
6. TS to D(T)OP/D(T)P&P/D(F)/D(P)/CMD
7. GM (Sysytem), BCCL: To upload office order in the website of BCCL

DOP of ESC, CFDs, CMD & Other Executives of Subsidiaries on Procurement of Goods and Award of Works & Services

Annexure-II

(Amount in ₹ Crores - rounded off)

Item of Procurement	Committee of Functional Directors headed by Chairman	CMD, Subsidiaries	Functional Directors (FDs)	General Manager /HODs
1. Open tender				
a. Lowest tender				
i. Capital exp for goods	750.00	37.50	18.75	9.50
ii. Capital exp for works & services	750.00	15.00	7.50	3.75
iii. Revenue exp for goods	Full Powers	18.75	9.50	4.75
iv. Revenue exp for works & services		15.00	7.50	3.75
b. Resultant Single Tender	25% of DOP			
2. Single Tender for proprietary items				
i. Capital exp for goods	150.00	15.00	7.50	3.75
ii. Capital exp for works & services	75.00	3.75	2.00	1.00
iii. Revenue exp for goods	75.00	3.75	2.00	1.00
iv. Revenue exp for works & services	75.00	3.75	2.00	1.00
3. Single Tender for non-proprietary items and on nomination basis (except for appointment of consultants)				
i. Capital exp for goods	20.00	3.75	2.00	1.00
ii. Capital exp for works & services	15.00	3.75	2.00	1.00
iii. Revenue exp for goods	15.00	3.75	2.00	1.00
iv. Revenue exp for works & services	15.00	3.75	2.00	1.00
4. Limited tender				
i. Capital exp for goods	75.00	18.75	9.50	4.75
ii. Capital exp for works & services	60.00	7.50	3.75	2.00
iii. Revenue exp for goods	60.00	9.50	4.75	2.50
iv. Revenue exp for works & services	60.00	7.50	3.75	2.00
Resultant Single Tender	25% of DOP			

Notes:-

** For areas having annual production in excess of 20 MT, Area GMs are authorised to exercise their delegated powers for procurement of goods and award of work and services for both capital and revenue items upto 1.50 times their delegated powers.*

*** For projects having annual production in excess of 10 MT, Project Officers are authorised to exercise their delegated powers for procurement of goods and award of work and services for both capital and revenue items upto 1.50 times their delegated powers.*

1. In case of Revenue expenditure bundled with Capital expenditure, the Delegation of Power relevant to Capital expenditure would apply. Example:- Sourcing of spares under AMC/CMC along with Capital equipment whether delivery is immediate or not.

2. In case of Resultant Single Tender, the following points must be ensured:-

- a. No splitting of the contract will be allowed*
- b. The reasons for the same are to be recorded in writing*
- c. The NIT was satisfactorily advertised and sufficient time was given for submission of bids.*
- d. The qualification criteria were not unduly restrictive , and*
- e. Prices are reasonable in comparison to market value.*

3. In case of purchase from OEM at the time of purchase, efforts should be made to obtain upfront a list of original parts manufacturer/proven source as recommended by OEM. In case of existing equipment, a similar declaration/authorization may be obtained.

4. In case of Limited Tender for Procurement of goods and award of work & services, the following points must be

- a. The number of supplier firms in Limited Tender Enquiry should be more than three. Efforts should be made to identify more number of approved suppliers to obtain more responsive bids on competitive basis.*
- b. Copies of the bidding document should be sent directly by speed post / registered post / courier / email / e-portal / GeM to firms which are borne on the list of registered suppliers. Proof of delivery of the bidding document must be obtained.*
- c. Sufficient reasons to go for such limited tender must be recorded in writing by the competent authority.*
- d. Empanellement of suppliers and Limited Tender Enquiry from such empanelled suppliers must be encouraged.*

5. For Single Tender (Without Proprietary Article Certificate) / On Nomination Basis : Approval of Director Concerned of CIL/Subsidiary should be obtained.

6. Powers for procurement of goods and award of works and services have been delegated upto the level of GMs/HODs

Guidelines for Appointment of Consultant Organisations

1. These Guidelines shall include the appointment of entities as :

- i. Technical Experts
- ii. Auditors (except Statutory Auditors who are appointed by C&AG)
- iii. Stock Verification Consultants
- iv. Lawyers
- v. Consultant for Company Secretarial matters
- vi. Management Consultants
- vii. Tax Consultants
- viii. Company law consultants
- ix. Any other consultants as may be decided by the competent authority.

2. These guidelines shall not apply to full time/part time advisors for which appropriate guidelines have already been framed by the Company.

3. Efforts should be taken to design the eligibility criteria in such a manner that Indian consultancy firms are given priority over foreign counterparts.

4. International experience should be given preference in cases only when the Indian firm/Company is a subsidiary/associate/JV of the concerned foreign body. Care should be taken for such cases where Indian companies having similar names as of the foreign body having no or very less experience may take advantage.

5. The remuneration structure of the consultants must be framed before the appointment process is floated and the same must not be based on L1 criteria. It is important for the company to appoint good quality consultants and payment of reasonable remuneration will result in the appointment of quality consultants.

6. At least 33-50% points should be given for the presentation to be made by the consultants to be appointed before the appropriate Committee in respect of :

- i. Infrastructure of Office
- ii. Software / Hardware usage
- iii. Approach towards the concerned job
- iv. Proposed strategy and its implementation
- v. Detailed scope and understanding of the assignment.

7. While appointing, it must be made clear to the appointees that they are to remain accountable for their Report and Advice in all cases and shall give appropriate affidavit / declaration to the Company before taking the assignment.

8. The appointed Consultant while accepting the assignment must specify the team members and must ensure in writing that at least 10% man-hours required for the assignment shall be devoted by the senior consultant/partner of the firm in letter and spirit. It is also important to ensure that such senior consultant/partner authenticate the report and is present during the time of presentation of final report.

9. The appointment procedure shall generally be by way of open tender (Fee and selection criteria is to be pre-determined) except in cases of urgency when limited tender may be floated. Even in cases of such urgency, it shall be mandatory to publish the requirement adequately in advance in the CIL e-tender website/eprocure.gov.in/GEM portal.

10. The requirement of open tender shall not apply to Institutions of National repute like IITs, IIMs, ISM, ICAI, ICSI, ICMAI and similar bodies established under an Act of Parliament / Institutes of national or international repute and likewise as recorded in writing by the appointing authority.

11. While appointing consultants, no preference of location or proximity to be given except in special cases where the same is justified and that too after proper justification and approval by the competent authority.

12. The appointment of Consultants must adhere to the following limits :

- i. Board of Directors : Full powers
- ii. Committee of Functional Directors headed by CMD : Full powers for Individual Consultants
- iii. Chairman / CMD : Full powers for Company/Partnership firm/LLP Consultants
- iv. Functional Directors / CVO for respective functions : Upto ₹25 lakhs in each case subject to a limit of ₹2 Crores per annum for Company/Partnership firm/LLP Consultants. However, the same must be informed to the Board.
- v. Executive Directors for respective functions : upto ₹10 lakhs for Company/Partnership firm/LLP Consultants. However, the same must be informed to the Board.
- vi. GM for respective functions : Upto ₹5 lakhs for Company/Partnership firm/LLP Consultants. However, the same must be informed to the Board.

Second engagement of the same person/entity will be subject to the approval of next higher level, in case appointment is made within a period of 12 months.

The above limits are same for both CIL and its Subsidiaries.

13. While determining terms of appointment for specific assignments / jobs an expert committee can be constituted by the next hierarchy level together with equal number of external experts in the respective field so that the eligibility criteria, scope of assignment, reporting requirement, working papers and documentation and fees and remuneration may be decided.

14. The competent authority may appoint a consultant without inviting any bid based on expertise/reputation of specific person /entity which may be brought on record. The delegated power in this regard for appointment on nomination basis is limited to 50% of delegated power as above.

The reason for appointment on nomination basis will be recorded in writing.