



CENTRAL PUBLIC WORKS DEPARTMENT

OFFICE MEMORANDUM

No. DGW/MAN/51

ISSUED BY AUTHORITY OF DIRECTOR GENERAL OF WORKS

NIRMAN BHAWAN, NEW DELHI

28 April, 2000

DETERMINATION OF LOWEST TENDER

Section 20 of CPWD Manual vol.II, 1988 lays down the procedure for acceptance of tenders. There are instances where the lowest tender is found invalid or is withdrawn by the tenderer during the original validity period (normally 90 days). Doubts have been raised whether in such cases the next lowest valid tender can be considered as the lowest tender. The matter has been examined in this Directorate and it is clarified that if the lowest tender is found invalid or is withdrawn for any reason, the next lowest valid tender will be treated as the first lowest tender.

It is, nevertheless, emphasised that withdrawal of tender is a serious matter. The explanation of the contractor, who withdraws the tender, should be called and disciplinary action should be taken, where necessary, in addition to forfeiture of part of earnest money in accordance with the condition No.15 of CPWD-3. However, if the lowest tenderer refuses to extend the validity after expiry of the original validity period (normally 90 days), no action can be taken against the contractor for such refusal and the case should be decided on individual merits. The tender accepting authority should also satisfy itself that the lowest valid tender proposed to be accepted is reasonable and recall is not likely to give substantially better result.

(P.K.Mathur)

Superintending Engineer (C&M)

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