

GUIDELINES ON DIRECT CONTRACTING / SINGLE SOURCE

The procedure for direct contracting is used for procurement of proprietary equipment and proprietary services. As the procedure for direct contracting is simple and speedy, it has been largely adopted by the institutions. Direct contracting means procurement without competition and hence proper transparency needs to be maintained. While procuring services/ good under direct contracting the institutes are expected to be cautious as it involves accountability on the part of purchaser. Though the procedure is described in brief in the procurement manual on page nos. 3 and 12, NPIU issues the following additional guidelines in this regards as follows:

1. Goods & Works: Direct contracting without competition (single source) may be an appropriate method under any of the following circumstances:

- (i) It is in the knowledge of the institute that only a particular firm is the manufacturer of the required goods.
- (ii) The required equipment/books & LRs should be specifically certified as of proprietary in nature and obtainable only from one source, or where only a particular firm is the manufacturer of the articles demanded.
- (iii) An existing contract for goods or works awarded in accordance with the prescribed procedures, justifiable on economic grounds, may be extended for additional goods or works of a similar nature
- (iv) Standardization of equipment or spare parts, to be compatible with existing equipment (on the advice of a competent technical expert and approved by the competent authority), may justify additional purchases from the original Supplier
- (v) Works are small and scattered or are situated in remote locations where mobilization costs for contractors would be unreasonably high

Note : “Proprietary Article Certificate” in the following form needs be provided by the Department before procuring the goods from a single source under the provision of (i), (ii), (iii) and (iv) as applicable.

- i. The indented goods are manufactured by M/s.....
- ii. No other make or model is acceptable for the following reasons:
- iii. Concurrence of finance wing to the proposal vide:
- iv. Approval of the competent authority vide:

The proprietary article certification committee may consist of members of relevant specialization/ experience and may also have one external member with similar expertise.

2. Services: Single-source selection of consultants does not provide the benefits of competition in regard to quality and cost, lacks transparency in selection, and could encourage unacceptable practices. Therefore, single-source selection shall be used only in exceptional cases. Single-source selection is considered appropriate e appropriate only if it presents a clear advantage over competition and only under exceptional circumstance such as:

- (i) Tasks that represent a natural continuation of previous work carried out by the firm.
- (ii) In emergency cases, such as in response to disasters and for consulting services required during the period of time immediately following the emergency.
- (iii) For very small assignments.
- (iv) When only one firm is qualified or has experience of exceptional worth for the assignment.

Note : The institute shall ensure fairness and equity, and shall have a procedure in place to ensure that the prices are reasonable and consistent with market rates for tasks of a similar nature; and the required consultancy services are not split into smaller sized procurement. It is also to be noted that a strong justification needs to be recorded at the time of processing of Direct Contracting/Single source cases, the justification should be covering the aspects of:

- Why the package is required?
- Why the package needs to be procured from the particular source only?
- Who are the potential beneficiaries of the package in the institution i.e. UG / PG / Doctorate students?
- Is there any scope of revenue generation from this package?

-----XX---