

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

MTN/NTM/W/115/Add.1

16 December 1977

Special Distribution

Multilateral Trade Negotiations

Original: English

Group "Non-Tariff Measures"

Sub-Group "Government Procurement"

INFORMATION ON REGULATIONS AND PROCEDURES OF NON-OECD COUNTRIES

In response to paragraph 4 of GATT/AIR/1363, the following communication has been received from the delegation of India.

INDIA

The procedures followed by the Government of India, Department of Supply for procurement are briefly described below:

1. Method of purchase

(i) The methods of purchase adopted by the Department of Supply are:

- (a) Tenders
- (b) Repeat order, and
- (c) Negotiations.

(ii) As far as possible, the purchase is made through advertised tenders against which any party from any part of the world can participate. These tenders are published in the Indian Trade Journal. Where, however, the requirement is urgent or where all the likely sources of supply are already known, the purchase is made through limited tender enquiries which are issued only to the registered firms and the past suppliers. Single tender enquiries are issued only in respect of proprietary articles or where the articles manufactured by a particular firm only are desired to be purchased.

(iii) Repeat orders are placed against a previous order which is not more than six months old.

(iv) Ab initio negotiations are undertaken only in respect of proprietary articles or in cases where there is lack of competition or where the production is not adequate to meet the demands.

./.

2. Types of contracts

(i) Fixed quantity contracts

Demands which are not of repetitive nature are normally covered by concluding fixed quantity contracts which are known as ad hoc Acceptance of Tenders.

(ii) Rate contracts

This form is used in respect of the articles which are commonly used, are required by a large number of the indentors at short notice, and are also in the regular run of the manufacturers. Broadly speaking rate contracts are agreements for the supply of the stores at the specified rate. While the terms and conditions of the suppliers are defined in the contracts no specific quantities are indicated and the contractor is to honour the supply orders placed on him during the period specified in the contract. Supply orders can be placed by the authorities specified in the rate contracts directly on the holder of the rate contract.

(iii) Running contracts

These are contracts where the price and terms and conditions governing the supplies are specified but the quantities indicated therein are subject to a certain tolerance.

(iv) Price agreement

There are cases where competitive rates may be received from some firms against rate contract tender enquiries but such firms are not registered and established. In such cases, price contracts only may be concluded for a specified period and ad hoc contracts are placed against these agreements as and when demand is in hand. Such agreements are centrally operated.

3. Registration

Sometimes it becomes necessary to place purchase orders at short notice. For this purpose the Director General of Supplies and Disposal (DGS&D) keeps an up-to-date list of reliable suppliers who are capable of supplying the likely stores. Any firm from any country can get itself registered with DGS&D. However, in case of foreign firms it is necessary that they should have agents in India who should also be simultaneously registered with DGS&D. Registered firms enjoy certain privileges, e.g. demands which are not advertised are met exclusively from the registered/post suppliers; in case of advertised demands copies of the tenders' notices are set to them. Rate contracts and running contracts are normally awarded to them only; requirements of security deposits may be relaxed in their case.