

**GOVERNMENT OF KARNATAKA**

No. PWD 389 FC-3/2001(part)

Karnataka Government Secretariat,  
Vidhana Soudha,  
Bangalore, dated 30.01.2002**CIRCULAR****Sub:** Price preference to SSI units-Amendment to KTPP Rules, 2000-clarification reg.**Ref:** 1) Notification No.PWD/389/FC-3/2001 Dated 30-08-2001.

2) U.O. Note No. CI 167 SPI 2001 dt. 2.1.02.

The C&I Dept. has requested the F.D to modify the notification dated 30-8-2001 relating to 15% price preference to the Small Scale Industries as it is affecting a large number of SSI units while quoting for tenders along with Large & Medium Industries from within and outside the state.

In rule 25 of KTPP Rules. 2000 it is mentioned about the procedures to be followed for determination of the lowest evaluated price. As per the said rule the lowest quoted tender only should be accepted. The C&I Dept. has requested to amend the KTPP Act, 1999 to consider the tenders of the small scale industries of the state by giving 15% price preference as announced in the new industrial policy. Accordingly the matter was examined in consultation with the Dept. of Parliamentary Affairs and Legislation and the Notification No. PWD 389 FC-3: 2001 dated 30.8.2001 was issued. In the said notification it was indicated that for a period of 5 years from 1.4.2001 small scale industries of the state shall be given 15% price preference in accordance with the New Industrial policy, 2001-2006 issued by the GO No. CI 167 SPI 2001 dated 30th June 2001 while determining the lowest evaluated price.

It appears that many procurement entitles have been interpreting differently, the above notification and this has affected the finalisation of the tenders. Therefore following clarifications are issued in respect of the above notification relating to 15% price preference to be considered while determining the lowest evaluated price in respect of small scale industries for finalizing the tender.

1) Upto 15% price preference for evaluation should be allowed to SSIs of the state who have quoted in the same tender application, the 15% price preference should be calculated on the basis of the lowest quoted rate if it is quoted by a large or a medium industry/SSI of another State.

2) The lowest bids by the SSI unit within the 15% price preference range shall be deemed to be the lowest evaluated price and shall be given preference for awarding the tender.

3)The following Illustration is given to make it clear:

L1	L2	L3	L4
L&MI/SSI. of another state	SSI. of the state	SSI of the state	SSI of the state
Rs.100	Rs.108	Rs.112	Rs.115

Range of price preference is upto Rs.115, ie. Rs.100+15% of Rs.100.

The SSI units L2, L3 and L4 are eligible to be considered. Tender is to be awarded to L2 at Rs.108 as it is the lowest evaluated price.

Accordingly all the procurement entitles are hereby asked to follow the above procedure, while determining the lowest evaluated price of SSI units of state.

**Chiranjiv Singh**  
Principal Secretary to Govt.  
Finance Department