



Controller General of Defence Accounts
Ulan Batar Road, Palam, Delhi Cantt – 110010
Ph No. 011 – 25665592 FAX No. 011- 25674806.
(GST Cell)
E-Mail : cgdanewdelhi@nic.in



AT/IX/GST/9504/Query

Dated: 04.10.2017

To,

✓ IFA HQrs(SC)
Pune - 411 001

Sub: Dealing of Procurement proposals in the wake of transition of tax regime to Goods & Service Tax (GST).

The necessary clarification with reference to your letter bearing no. IFA/SC/35 dt. 25.07.2017 are as follows:-

Sl. No	Query	Views of GST Cell
1.	<p>Proposals where price bids are opened and are as per old tax structure:-</p> <p>In such proposals, the Unit/ Formation are being advised to obtain revised basic price from the L1 Firms/ Vendors for the item/s in the Bill of Quantity (BQQ) during CNC. It has also been advised that L-1 Firms/ Vendors should be asked to support the revised basic price with details such as Old Tax rates, New Rate duly accounting for input tax credit on account of revision of taxes which should further be supported with documents proving the Firm's purchase in the form of invoice, list price from OEM, GSTIN Number of Firm, relevant Notifications and any other relevant document/s as Firm may like to submit. In case the revised basic prices are lower than the original quote. In case the L-1 vendors are increasing the basic price as compared to the original quote, re-tender would be resorted to as giving enhancement on the L-1 rates would not be in</p>	<p>1. Para 4.21. 1(e) of DPM 2009 as amended by 1/2015 dated 10.11.2015, circulated by IFA Wing of HQ CGDA Office vide their Circular No: 23 of 2015 dated 31.12.2015, evaluation and comparison of substantially responsive bids: the evaluation and comparisons of responsive bids shall be done on the prices of the goods offered and other charges such as Packing & Forwarding, Freight and Insurance, AMC, etc, as indicated in the price schedule of the Bid document but excluding levies, taxes and duties such as Excise Duty, VAT, Service Tax, Octroi/ Entry Tax, etc on the</p>

	<p>order as it would amount to revision of quoted and thus be a violation of basic public procurement rules.</p>	<p>final product, which are to be paid extra as per actual, wherever applicable.</p>
<p>2.</p>	<p>Proposals processed in Two-bid system at post – TEC stage where price bids are yet to be opened:- The situation can be dealt in two ways as brought out below. Headquarters Office may guide with the right option.</p> <p><u>Option 1:</u></p> <p>The Unit / Formations be advised to obtain revised financial bids duly complying with GST from only those vendors whose bids are technically qualified and TEC report approved by the CFA. Obtaining of revised financial bids would be similar to two- stage bidding permitted under GFR 2017 Rule 164 and also in sync with provision of DPM 2009 (Para 4.12.11). Such revised bids will be obtained only through e-procurement process of CPPP only. This option would be preferable, as all the technically qualified firms would be give equal opportunity to bid and all bidders can holistically recast their price bid taking into account the effect of the rollout of GST. However, there is also an issue as CPP Portal has no provision to obtain revised commercial bids against the same tender ID. As such another fresh tender calling for only the commercial bids would have to be processed through CPP Portal, wherein the old RFP/ tender would be referred and against this fresh tender only technically qualified bidder/s will quote.</p> <p><u>Option: 2</u></p> <p>The Unit/ Formations to be advised to go ahead with opening of existing price bids and deal with the proposal as stated at Sl. No.1 above i.e. Proposals where price bids are opened and are as per old tax structure. However, the only limitation in this option would be that the vendors would not have the opportunity to revise the basic cost/ price upwards as available in option 1 above. Further, in a</p>	<p>2. The procedure as per para 1 above may be followed, instead of 17 (state and central Government) tax which are subsumed and GST came into effect from 01.07.2017, factor of GST should be dealt in the same way.</p> <p>3. Contents of invoice are available at Section 31 of GST Act read with Rule 49 of CGS&T Rule, 2017. In the invoice name, address, GSTIN no. of the supplier, consecutive serial no. not exceeding 16 character, GSTIN NO/UID no. if registered of the recipient, HSN Code of the goods and service, value of the supply/goods or services, signature of supplier are to be complied.</p>

	scenario of L-1 vendor wanting to revise the price upwards on account of GST, the case would have to be retendered, which can be avoided if option-1 is exercised.	
3.	Proposals where RFPs have been uploaded/ issued and BOQs are as per old tax structure:- The RFPs to be amended and corrigendum issued with suitable extension to last date of submission of bids, if necessary.	
4.	Proposals where AON has been accorded and RFP yet to be finalized:- The clauses in the RPF are being amended to accommodate GST and BOQ being asked to be amended.	

2. This issues with the approval of Addl. CGDA (US).


ACGDA(GST Cell)

Copy to:

~~IFA Wing
(Local)~~

For information and necessary action w.r.t your UO no. IFA/83 dt. 22.08.2017.

~~EDP Wing
(Local)~~

For uploading on CGDA Website.

— Sd —
ACGDA(GST Cell)