

Dated: 05.09.2019

**All Concerned**

**Sub: Operation of Plus 30% Option Clause.**

As advised, the following instructions are hereby circulated for information and compliance.

It is observed in some of the cases that +30% option clause is operated just before opening of the subsequent tender and lower rates are received in such subsequent tender. In some cases, it is also observed that the option clause was operated immediately after opening of the subsequent tenders, as higher rates were received in the new tender, but the subsequent tender was finalized at a lower rate due to negotiation/counter offering, etc. Such circumstances have effectively resulted in operation of option clause at higher rates.

It is, therefore, advised that the plus 30% option clause should be normally operated only after finalization of the subsequent tender, if any. In case, it becomes absolutely necessary to operate the +30% option clause before opening of the subsequent tender due to critical stock position or any other valid reason which is likely to affect the production, then the proposal to operate option clause must invariably bring out reasons for operating the option clause before issue/finalization of the subsequent tender. In such cases, a suitable clause must also be included that in case lower rate is received in the subsequent tender, then such lower rate shall apply to plus 30% option clause quantity.

Compliance of the above instructions must be adhered to as this is as per the instruction of PCMM.

AP 05/09/2019  
Dy.CMM(P)

Copy to: 1) PFA  
2) PCEE  
3) PCMM } for kind information.

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Dy.CMM(P)