

# Delhi Development Authority E-Auction Cell (LD)

File No. F1 (Misc) E-Auction/2019/349

Dated: 28/06/2019

Sub: - Streamlining of procedure for processing of bids

It has been seen in the previous phases of E-Auction that there are large variation in the bids received in terms of amount quoted and number of bidders in comparison to the bids of other plots of the same area. To avoid this anomaly DDA has decided following procedure for processing the bids received which is as follows:-

2. During an E-Auction process, as well as after closing of E-Auction, department will examine the bids as per table below-

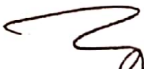
Condition	Sub-condition	Action to be undertaken by the Department
Single Bidder Registers for a plot	First time Auction	Plot to be withdrawn from the Auction process and put for second time Auction
	Second time Auction	Allow the Auction to be continued
Multiple Bidder register But Single Bid Received in respect of a plot	First time Auction	Reject the Bid if it is below threshold. Accept if H1 is above the threshold. [See methodology for calculation of Threshold below]
	Second time Auction	Refer to the Committee for decision if bid is below or equal to the threshold. Accept if H1 is above the threshold.
Multiple Bids received	H1 Price below or equal to threshold	Refer to the Committee for decision.
	H1 Price above threshold	Accept the Bid

Methodology for calculation of threshold shall be as below:-

Step 1	<p>Collect Data (reserve price, area and H1 Premium) in respect of Plots situated in a 'region where plots are of similar category' which were auctioned during last one year (including the current auction) and bids –</p> <p>(a) In case of previous auction, bids that were accepted.</p> <p>(b) In case of current auction where bids are received (including single bids).</p> <p>Explanation: 'Region where plots are of similar category' needs to be selected judiciously and carefully – so that plots of similar category/ type are grouped together.</p>
Step 2	Calculate per-square meter rate (of H1 Premium amount) in respect of plots identified in Step 1 ( $p_i$ )
Step 3	<p>Calculate Average premium Rate (per square meter) 'm' for the region in respect of plots identified in step 1.</p> <p><math>m = \text{AVERAGE}(p_1, p_2, \dots, p_i)</math></p> <p>Note : Calculate separate 'm' for each region</p>
Step 4	<p>Calculate Standard Deviation (of premium rate per square meter) 's' for the region in respect of plots identified in step 1.</p> <p><math>s = \text{STDDEVP}(p_1, p_2, \dots, p_i)</math></p> <p>Note : Calculate separate 's' for each region</p>

Step 5	Calculate Safety coefficient as below-	
	Number of plots in the Region for which data is available	Safety Coefficient 'x'
	1,2 or 3	-1
	4, 5 or 6	0
	7, 8 or 9	0.5
	10 or more	1
Step 6	Calculate Threshold (t) as below	
	$t = m - x * s$	
Step 7	Accept all bids (in the current tender) where the per-sqm bid price 'p <sub>i</sub> ' is greater than the threshold t for the region (even if it is a single bid)	
	$p_i > t \rightarrow$ Accept Bid	
Step 8	Refer to the Committee - all bids (in the current tender) where the per-sqm bid price 'p <sub>i</sub> ' is less than or equal to the threshold t for the region.	
	$p_i \leq t \rightarrow$ Refer Bid to Committee	

4. The Committee referred to in para 2 shall be as follows:-
  1. Vice Chairman-Chair
  2. Finance Member
  3. Pr. Commissioner (LD)
  4. Commissioner (LD) – Member Secretary
5. The Committee will examine the cases of plots referred to it, the amount of bid received, the number of bidders, general rates of plots being sold in the market in the area (if available), and any other information deemed fit to check if the bid reflect the general market rate or not. If there are reasonable indication that the bid value is comparable to general market rate in the area, the Committee may, at its sole discretion, decide to accept the bid received. Otherwise, the bid shall be rejected and plot be put to re-auction.
6. The decision of the Committee regarding accepting the bid (or not) shall be final.
7. This is issued with the approval of Competent Authority.

  
 28.6.19  
 S. K. Meena  
 Director (E-Auction)

Copy to:-

1. PS to VC for information of latter
2. PS to FM for information of latter
3. PS to PC (LD) for information of latter
4. PS to CLD for information of latter
5. Director (System)