No. F. 2/22/2026-PPD

भारत सरकार / Government of India

वित्त मंत्रालय / Ministry of Finance

व्यय विभाग / Department of Expenditure

खरीद नीति प्रभाग / Procurement Policy Division

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709, Chanderlok Building,
Janpath, New Delhi
Dated : 09.11.2026

OFFICE MEMORANDUM

Subject: Amendment to provisions relating to Abnormally Low Bids in the Manuals for Procurement – reg.

The undersigned is directed to refer to para 7.6.7 of the Manual for Procurement of Goods, 2024, which contains provisions regarding consideration of Abnormally Low Bids (ALBs).

2. The extant provisions define ALB as a bid in which the bid price, in combination with other elements of the bid, appears so low that it raises material concerns as to the capability of the bidder to perform the contract at the offered price. In such cases, the Procuring Entity may seek written clarifications from the bidder, including detailed price analyses, and may reject the bid where the bidder substantially fails to demonstrate its capability to deliver the contract at the offered price. The extant provisions do not prescribe a numerical threshold for identification of a potentially ALB.

3. The matter has been reviewed. It has been decided to prescribe a threshold of 30 per cent below the estimated cost as a mandatory trigger for examination of a potentially ALB. The said threshold shall be used for the purpose of mandatory examination of the bid and shall not, by itself, constitute a ground for automatic rejection of the bid.

4. Accordingly, para 7.6.7 of the Manual for Procurement of Goods, Second Edition, 2024 shall stand amended as follows:

Reference	Existing provision	Amended provision
Manual for Procurement of Goods, Second Edition, 2024		
7.6.7 Sub-para 1	An Abnormally Low Bid (ALB) is one in which the Bid price, in combination with other elements of the Bid, appears so low that it raises material concerns as to the capability of the Bidder to perform the contract at the offered price.	An Abnormally Low Bid (ALB) is one in which the Bid price, in combination with other elements of the Bid, appears so low that it raises material concerns as to the capability of the Bidder to perform the contract at the offered price. **A Bid quoting a price more than 30 per cent below the estimated cost shall mandatorily be examined as**

Reference	Existing provision	Amended provision
		a potentially Abnormally Low Bid in accordance with this paragraph.
	The Procuring Entity **may**, in such cases, seek written clarifications from the Bidder, including detailed price analyses of its Bid price in relation to scope, schedule, allocation of risks and responsibilities, and any other requirements of the tender document.	The Procuring Entity **shall**, in such cases, seek written clarifications from the Bidder, including detailed price analyses of its Bid price in relation to scope, schedule, allocation of risks and responsibilities, and any other requirements of the tender document. **Where a Bid is not more than 30 per cent below the estimated cost, the Procuring Entity may, if considered necessary, seek such clarifications and price analysis if the Bid price, in combination with other elements of the Bid, appears so low that it raises material concerns as to the capability of the Bidder to perform the contract at the offered price.**
	If, after evaluating the price analyses, the procuring entity determines that the Bidder has substantially failed to demonstrate its capability to deliver the contract at the offered price, the Procuring Entity may reject the Bid/ Proposal and evaluate the next higher bidder (and so on), at his/ their own quoted rate (if considered reasonable, and not by the counter-offering rate of ALB), for the award of contract.	If, after evaluating the clarification and price analyses, the Procuring Entity determines that the Bidder has substantially failed to demonstrate its capability to deliver the contract at the offered price, the Procuring Entity may reject the Bid/ Proposal and evaluate the next higher bidder (and so on), at his/ their own quoted rate (if considered reasonable, and not by the counter-offering rate of ALB), for the award of contract.
	However, it would not be advisable to fix a normative percentage below the estimated	**A Bid quoting a price more than 30 per cent below the estimated cost shall be subject to**

Reference	Existing provision	Amended provision
	cost, which would automatically be considered an abnormally low bid. Due care should be taken while formulating the specifications at the time of preparation of the tender document to safeguard against the submission of abnormally low bids from the bidders.	**mandatory examination as provided above. Such threshold shall not constitute a ground forautomatic rejection of the Bid.** Due care should be taken while formulating the specifications at the time of preparation of the tender document to safeguard against the submission of abnormally low bids from the bidders.
7.6.7 Sub-para 2	In the case of predatory pricing, procuring entities may refer to the above consideration of abnormally low bids to assist themselves in the finalization of tenders.	No change.
7.6.7 Sub-para 3	No provisions should be kept in the Tender Documents regarding the Additional Security Deposit/ Bank Guarantee (BG) in case of Abnormally Low Bids. Wherever there are compelling circumstances to ask for an Additional Security Deposit/ Bank Guarantee (BG) in the case of ALBs, the same should be taken only with the approval of the next higher authority competent to finalise the particular tender or the Secretary of the Ministry/ Department, whichever is lower.	No change.

5. This amendment shall also be applicable to para 8.5.7 of Manual for Procurement of Consultancy Services, Second Edition, 2025, para 7.4.8 of Manual for Procurement of Non-Consultancy Services, 2025 and para 6.4.8 of the Manual for Procurement of Works, Second Edition, 2025.

6. This is issued with the approval of the competent authority.

Praveen Kujur 09/11/26

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To,

The Secretaries of all Central Government Ministries/ Departments.