

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

eProcurement – Memorandum of Understanding (MoU) between Government e-Market place (GeM) and Government of Andhra Pradesh for utilizing the GEM platform - Constitute a committee to amend the extant G.Os & Finance code and make changes to the procurement rules of the Government of Andhra Pradesh - Orders – Issued.

INFORMATION TECHNOLOGY, ELECTRONICS & COMMUNICATIONS
(eProcurement) DEPARTMENT

G.O. Ms. No. 21

Dated: 23.11.2017
Read:

Memorandum of Understanding (MoU) between Government e-Market place (GeM) and Government of Andhra Pradesh, dated: 11.07.2017

ORDER:

Digital India aims to bring in maximum transparency by minimizing Government's human transactional interface and based on recommendations of Group of Secretaries, DGS&D created a one-stop Government e-Market place (GeM) in association with National e-Governance Division (NeGD), Ministry of Electronics & IT (MeitY), Government of India to facilitate online procurement of common use Goods & Services required by various Government Departments/Organizations/PSUs.

2. Government eMarket place (GeM) set up by Department of Commerce, Government of India is a state-of-the-art public procurement platform that has used technology to remove entry barriers for bonafide sellers and has created a vibrant e-marketplace with a wide range of goods and services. Completely online pre-contract and post-contract management along with digital and time-bound payment on GeM, has resulted in significant reduction in prices of goods and services. The online portal (www.gem.gov.in) aims to enhance transparency, efficiency and speed in public procurement and provides the tools of e-bidding, reverse e-auction and demand aggregation. Necessary provisions have also been made in the GFR to enable procurement and make payments to suppliers/sellers after successful delivery of Goods & Services. The purchases through GeM by Government users have now been authorized and made mandatory by Ministry of Finance by adding a new Rule No. 149 in the General Financial Rules, 2017.

3. As per Rule 149 of GFR 2017, DGS&D or any other agency authorized by the Government will host an online Government e-Market place (GeM) for common use Goods and Services. DGS&D will ensure adequate publicity including periodic advertisement of the items to be procured through GeM for the prospective suppliers. The Procurement of Goods and Services by Ministries or Departments will be mandatory for Goods or Services available on GeM. The credentials of suppliers on GeM shall be certified by DGS&D. The procuring authorities will certify the reasonability of rates. The GeM portal shall be utilized by the Government buyers for direct on-line purchases as under:-

- i. Up to Rs.50,000/- through any of the available suppliers on the GeM meeting the requisite quality, specification and delivery period.
- ii. Above Rs.50,000/- and up to Rs.30,00,000/- through the GeM Seller having lowest price amongst the available sellers of at least three different manufacturers on GeM, meeting the requisite quality, specification and delivery period. The tools for online bidding and online reverse auction available on GeM can be used by the Buyer if decided by the competent authority.
- iii. Above Rs.30,00,000/- through the supplier having lowest price meeting the requisite quality, specification and delivery period after mandatorily obtaining bids, using online bidding or reverse auction tool provided on GeM.
- iv. The invitation for the online e-bidding/ reverse auction will be available to all the existing Sellers or other Sellers registered on the portal and who have offered their goods/services under the particular product/service category, as per terms and conditions of GeM.
- v. The above mentioned monetary ceiling is applicable only for purchases made through GeM. For purchases, if any, outside GeM, relevant GFR Rules shall apply.

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- vi. The Ministries/Departments shall work out their procurement requirements of Goods and Services on either "OPEX" model or "CAPEX" model as per their requirement/ suitability at the time of preparation of Budget Estimates (BE) and shall project their Annual Procurement Plan of goods and services on GeM portal within 30 days of Budget approval.
 - vii. The Government Buyers may ascertain the reasonableness of prices before placement of order using the Business Analytics (BA) tools available on GeM including the Last Purchase Price on GeM, Department's own Last Purchase Price etc.
 - viii. A demand for goods shall not be divided into small quantities to make piecemeal purchases to avoid procurement through L-1 Buying / bidding / reverse auction on GeM or the necessity of obtaining the sanction of higher authorities required with reference to the estimated value of the total demand.
4. The Government eMarket Place(GeM) and Government of Andhra Pradesh have entered into a bipartite MoU on the 11th day of July, 2017 in order to enable the Government of Andhra Pradesh to make use of GeM for procurement of both goods and services.
5. Obligations/Commitments under the MoU are as follows:
- (i) The Government of India to take following measures:
 - a. Facilitating Government of Andhra Pradesh to onboard GeM
 - b. Integration of GeM system with the Government of Andhra Pradesh Treasury/payment system in order to facilitate online and time-bound payment to suppliers/service providers
 - c. Facilitate Government of Andhra Pradesh to impart training to its officials on the use of GeM.
 - (ii) The Government of Andhra Pradesh to take the following measures:
 - a. Make changes to the procurement rules of the Government of Andhra Pradesh in line with Rule 149 of General Financial Rules, 2017 of the Government of India.
 - b. The procurement rules/procedures of the Government of Andhra Pradesh shall be amended in such a way that, to the maximum extent possible, they shall be in sync with the procurement rules/procedures of the Government of India.
 - c. Facilitate registration on GeM of maximum number of suppliers & service providers located within the geographical limits of the State of Andhra Pradesh.
 - d. Organize GeM user training to its officers and staff in its own premises.
 - e. Depute technical team well versed with the State Government Treasury/Payment system to interact with the GeM team for integration of the two systems.
 - f. Ensure immediate issuance of Provisional Receipt Certificate (PRC) upon receipt of goods/services and Consignee's Receipt cum Acceptance Certificate (CRAC) within 10 days of issuance of PRC, by the Consignee.
 - g. Ensure payment to vendors/service providers within 10 days of issue of CRAC by issue of necessary order/notification.
 - h. Till integration of State Treasury with GeM is completed and a PFMS like system is simulated, a special payment system shall be devised. To this effect, the State Government nodal agency shall open a new non-operative current/saving/ liquid term account (to be named as State GeM Pool account) in any of the GeM associate banks or else, the individual State Government buyers can also open separate GeM Pool accounts to collect advance payment from buyer and transfer to supplier account upon receipt of payment instruction to banker through GeM portal.
6. In order to utilize the GEM platform, there is a need for looking in to the content of extant GOs & Finance code for amending the G.Os, Finance code and make changes to the procurement rules of the Government of Andhra Pradesh in line with Rule 149 of General Financial Rules, 2017 of the Government of India, so that Government departments are enabled through relevant G.Os. It is decided to constitute a committee with the following composition.

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1	The Special Secretary to Government(B&IF), Finance Dept.	Chairperson
2	The Managing Director, APTS	Member
3	The Director (Communications), IT,E&C Dept.	Member
4	The Engineer-in-Chief, Water Resource Dept.	Member
5	The Engineer-in-Chief, R&B Dept.	Member
6	The Commissioner, Commissionerate of Tenders	Member
7	Representative of Secretary, Water Resource Dept.	Member
8	Representative of Prl. Secretary, Panchayat Raj Dept.	Member
9	Representative of Prl. Secretary, MA&UD	Member
10	Representative of Prl. Secretary, Social Welfare Dept.	Member
11	Representative of VC&MD, APSRTC	Member
12	Representative of MD, APHMH&IDC	Member
13	The Project Manager (eProc), IT,E&C Dept.	Member
14	The General Manager, APTS	Member Convener

7. The committee shall meet once in fortnight to review the content and for recommending the amendment to the extant G.Os & Finance code. The committee also shall recommend for making changes to the procurement rules of the Government of Andhra Pradesh in line with Rule 149 of General Financial Rules, 2017 of the Government of India.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

**K.VIJAYANAND
PRINCIPAL SECRETARY TO GOVERNMENT**

To
All the members of the committee.
All Departments Concerned.
Copy to:
PS to Secretary to Govt., IT,E & C Department.
SF/SC

//FORWARDED:: BY:: ORDER//

SECTION OFFICER