

Government e-Market Place – 3.0

Incident Management
GeM 3.0



Change History

Sr. No.	Document version	Release date
1.	Version 10.0	1 st June 2018
2.	Version 11.0	6 th August 2018

This is version 11.0

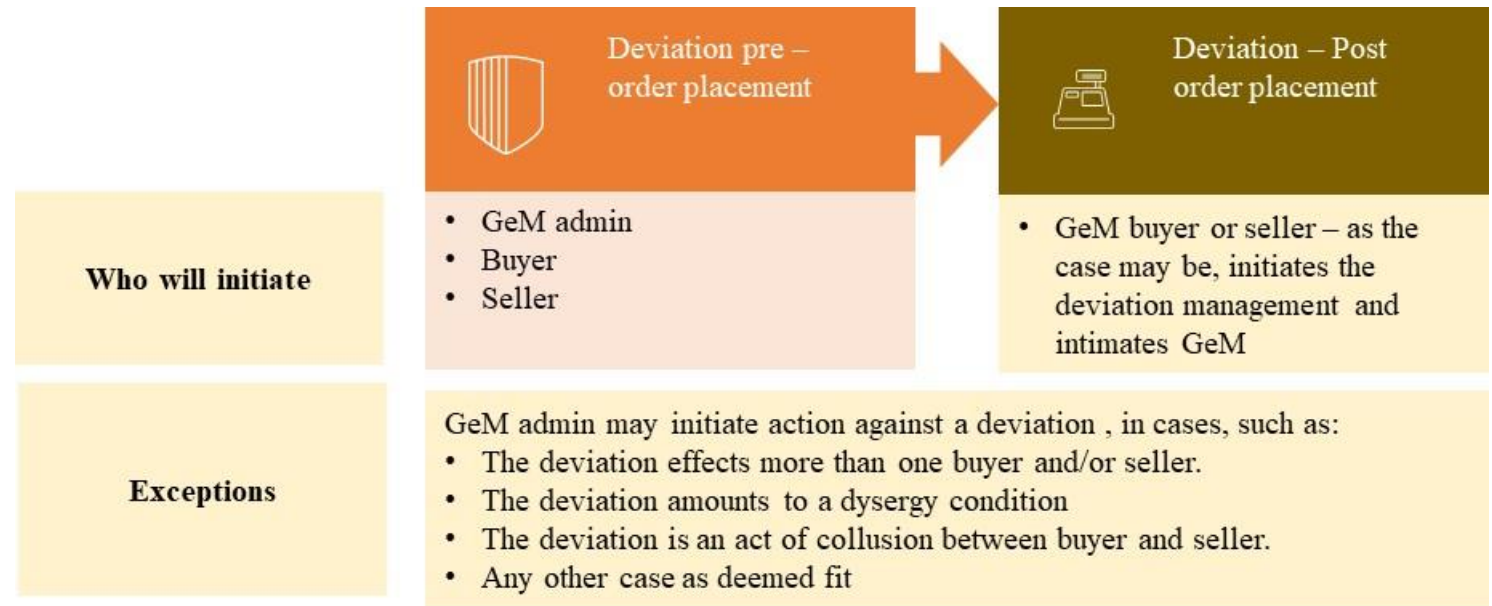
Metadata of the Standard

S. No.	Data elements	Values
1.	Title	Incident Management on GeM
2.	Target Audience	Stakeholders of GeM including buyers, sellers, industry associations, partners etc.
3.	Source <i>(Reference to the resource from which present resource is derived)</i>	The incident management document elaborates the overall framework for identification and handling of deviations on GeM portal.
4.	Document Number	GeM/Transition 3.0/IM/V11.0

1. Introduction

GeM with its pilot version and its updated GeM 2.0 version has already made a disruptive change in the procurement milieu of Government. The thrust on a trust based system has already taken its roots with buyers and sellers. The scaled up version - GeM 3.0 is taking this trust based system to greater heights, through automation of its process. Self-declaration is the key, along with a strong automated process to penalize any deviant behavior. Similarly, good buyer behavior is a key component to generate seller confidence on GeM so that they can offer the best price and quality.

For this purpose, deviations from the terms and conditions of procurement on GeM, including general terms and conditions, special and additional terms and conditions and any other relevant Government rules and guidelines, are termed as “deviation”. A deviation can occur either pre-order placement or post order placement on GeM. The mechanism for reporting and initiating action on such deviation is depicted in the adjoining diagram.



Given the above approach, this document elaborates the overall framework for identification and handling of deviations on GeM portal.

2. Potential areas of deviation as identified on GeM

The following are some of the areas where deviations on GeM can occur:

A. Registration

Furnishing of misleading / incorrect information, such as:

- a. Experience in Government Transactions.
- b. Financial information including turnover and profit.
- c. Registering with benami/ fake identity or credentials.

B. Product listing

In terms of information/ action related to:

- a. Fake authorization.
- b. Fake / refurbished products.
- c. Misleading pricing.
- d. Fake certificates.
- e. End of life product.
- f. Offering false warranty.
- g. Offering products without sufficient stock.
- h. Incorrect/inaccurate submission with the intention to mislead the buyers in the market place
- i. Listing the products / services not in relevant categories and / or listing the same with vague / conflicting product specifications / details and irrelevant product photographs.

C. Procurement Process

In terms of information/ action related to:

I. Seller side

- a. Withdraws or modifies or impairs or derogates from the bid in any respect, within the period of validity of its bid
- b. Furnishing information / document in the bid which are inaccurate, false, misleading or forged.
- c. Indulgence in any anti-competitive behavior or cartel formation.
- d. Violating the integrity pact
- e. Specific complaint raised by the buyer against the seller.
- f. Exercising corrupt influence on the stakeholder.

II. Buyer side

- a. Manipulation of specification.
- b. Creating bids/RA without the intention of actual procurement.
- c. Splitting of demands and making repetitive direct purchases or creating multiple bids.
- d. Not finalizing the bid/RA within the stipulated time.
- e. Not placing the orders on the successful bidders.

D. Post Contract

In terms of information/ action related to:

I. Seller side

- a. Fails to furnish performance security.
- b. Fails to submit the requisite documents/ information/ certificates / test reports etc.
- c. Non-delivery of the product(s) after placement of contract.
- d. Delivering wrong/ inferior/ sub-standard quality product(s).
- e. Recurring delay in contract fulfillment.

- f. Faulty package, resulting in low quality.
- g. Not honoring – warranty obligations.
- h. Performance of manpower based on skill set.
- i. Non-compliance of Service Level Agreements.

II. Buyer side

- a. Cancelling the order after acceptance of the order by the seller.
- b. Refusal to receive the consignment at the consignee place.
- c. Delay in CRAC generation
- d. Recurring delay in CRAC generation
- e. Rejecting the goods without any valid reasons
- f. Delay in payment post CRAC generation.
- g. Recurring / inordinate delay in payment post CRAC generation.

Incident Management on GeM 3.0

From a deviation handling perspective, the deviations on GeM are categorized into three levels, namely: mild, serious and severe. The table below depicts some of the key deviations and its categorization:

Mild Deviation	Serious Deviation	Severe Deviation
Fails to update GeM about any change in information furnished within the prescribed time limits.	Misdeclaration on Government transaction experience	Misdeclaration of Financial Information including turnover and profit
Delay in Delivery.	Faulty Authorization.	Continuous order rejection
	Order rejection.	Non-delivery of the product after successful bidding.
	Supplies goods of inferior/ substandard quality	Violating the integrity pact.
	Non-compliance of Service Level Agreement (SLA)	Uploading/delivering fake/refurbished products
	Offering lower prices outside GeM.	Withdraws or modifies or impairs or derogates from the bid in any respect within the period of validity of its bid.
	Partial Delivery.	Furnishing information/ documents bids which are inaccurate, false, misleading or forged.
	Price manipulation of any sort.	Fails to furnish requisite performance security / PBG within stipulated time required as per e-bid / RA conditions.

Incident Management on GeM 3.0

Mild Deviation	Serious Deviation	Severe Deviation
	Offering end of life products.	Fails to produce the requisite documents/ information/certificates/test reports etc. during the course of inspection/ assessment at any stage.
	Listing the products/services not in the relevant categories and/or listing the same with vague/conflicting product specifications/details and irrelevant product photographs.	Not honoring warranty obligations.
	Specific complaints raised by buyer against the seller	Registering with benami / fake identity or credentials
	Fake authorization	Fake certificates
	Misleading pricing	Incorrect/inaccurate submission with the intention to mislead the buyers in the market place
	Offering products without sufficient stock	Indulgence in any anti-competitive behavior or cartel formation
	Manipulation of specification	Exercising corrupt influence on the stakeholder
	Creating bids/RA without the intention of actual procurement	Recurring delay in contract fulfillment.
	Splitting of demands and making repetitive direct purchases or creating multiple bids	Cancelling the order after acceptance of the order by the seller
	Not finalizing the bid/RA within the stipulated time	Refusal to receive the consignment at the consignee place.

Incident Management on GeM 3.0

Mild Deviation	Serious Deviation	Severe Deviation
	Not placing the orders on the successful bidders	Rejecting the goods without any valid reasons
	Faulty package, resulting in low quality	
	Performance of manpower based on skilled set	
	Delay in CRAC generation	
	Delay in payment post CRAC generation.	

3. Dealing with deviations on GeM

The deviations on GeM can be identified in one of the following ways:

- I. **Platform driven:** Action of the Seller/Buyer on GeM portal that is not in line with the terms and conditions on GeM including those identified through analytics. Some of key identified deviations along with, action to be taken is placed as **Annexure1**.
- II. **Reported:** Buyer/Seller/Service Provider or GeM Admin may initiate the deviation management on GeM. They can create incident and try to get a resolution within the stipulated time from the party against whom the incident has been raised. In case of no resolution at user end, the incident can be escalated to GeM Admin after completion of the stipulated time. GeM would take suitable action on the escalated incidents against a Seller/buyer as reported to GeM by any stakeholder and/or any other third party after thorough investigation.

3.1. Category 1 – Mild Deviations

Mild deviations are those which are related to incomplete or unintentional erroneous submissions of information. Seller/ SP/ buyer are alerted for corrective action and the deviation reflects in the overall Seller/Buyer rating and eligibility to transact on GeM. Seller/ SP/ buyer is provided with a notice period of 20 calendar days to rectify the deviation. In case of rectification at user end, no further action is required. In case of non-rectification, the reporter of the incident can escalate to GeM Admin for resolution after 20 calendar days. . The deviation would graduate to a serious deviation in case of non-rectification after escalation.

3.2. Category 2 – Serious Deviations

Serious deviations are those, which are intentional, malicious and misleading in nature. Seller/ SP/ buyer is provided with a notice period of 15 calendar days to rectify the deviation. In case of rectification at user end, no further action is required. In case of non-rectification, the reporter of the incident can escalate to GeM Admin for resolution after 15 calendar days. GeM Admin can send Show cause notice and it will be reflected on the respective user's GeM dashboard and / or sent through email (to be responded within 7 calendar days). While show cause process is in process, the following would apply:

- A. For Buyer - is reflected as “Notified” in GeM market
- B. For Seller/ Service Provider (SP) - is reflected as “Notified” in GeM Market and the related product/service/cause of deviation (if any - by GeM admin) will be disabled for transaction during the show cause period. Barring the above, the seller / SP will be able to transact on GeM normally.

Based on the outcome of findings of the show-cause:

- No deviation at user end– “Notified” flag off and Seller/SP enabled
- In case, there is an unsatisfactory explanation or non-response by the buyer/ seller/ SP the following steps shall be taken:-
 - ✓ Buyer – Primary user and competent authority to be notified for necessary action.
 - ✓ Seller / SP suspended¹ by the GeM admin (with approval of competent authority) for a period of:
 - Upto 15 days - For first deviation within a period of 90 calendar days.
 - Upto 30 days - For second deviation within a period of 90 calendar days
 - ✓ Deviation reflects in the overall Seller/Buyer rating.

3.3. Category 3 – Severe Deviations

Severe deviations are those which are related to criminal breach of trust. . Seller/ SP/ buyer is provided with a notice period of 10 calendar days to rectify the deviation. In case of rectification at user end, no further action is required. In case of non-rectification, the reporter of the incident can escalate to GeM Admin for resolution after 10 calendar days. GeM Admin can send Show cause notice and it will be reflected on the respective user’s GeM dashboard and / or sent through email (to be responded within 10 calendar days). While show cause process is in process, the following would apply:

¹Suspended seller: The user will be prevented from entering into fresh transactions, uploading of new product / service. His uploaded products will not be visible and will not be able to participate in bids. If already participated in the ongoing bids, buyer will be notified on their dashboard of this suspension for appropriate action at their end. Carted products will be taken out. However Seller/ SP will be able to complete the transactions already finalized, such as delivery, payment receipt etc.

Incident Management on GeM 3.0

- A. For buyer - is reflected as “**watch listed**” in GeM market and will not be able to place fresh contract on GeM.
- B. For seller/ SP - is reflected as “**watch listed**” in GeM Market and seller / SP is **suspended** from transacting during the show cause period.

Based on the outcome of findings of the show-cause:

- No deviation at user end– Watch list flag off and seller / SP/Buyer enabled
- In case, there is an unsatisfactory explanation or non-response by the buyer/ seller/ SP the following steps shall be taken:-
 - ✓ Buyer – Escalate to Primary User and competent authority and blocking of the buyer from further transaction, till resolution of the deviation is put in place.
 - ✓ Seller / SP:
 - For first deviation within a period of 90: **disabled**² by the GeM admin for a period of >30 days to up to 6 months (>30 to 3 months with approval from ACEO and >3 months to up to 6 months with approval from CEO).
 - For second and subsequent deviation within a period of 90: In addition to the above, GeM may recommend the case to Ministry of Commerce, GoI for appropriate action.

Note: Deviation reflects in the overall Seller/Buyer rating

² Disabled Seller. All the consequences as mentioned under “suspended seller” plus their uploaded/approved products will be removed from the portal. On re- enabling the seller to upload their products and or services- afresh.However Seller/ SP will be able to complete the transactions already finalized, such as delivery, payment receipt etc.

4. Dysergy conditions

The following are the dysergy conditions on deviations:

- A non-responded mild deviation (post the timeline) would convert into a serious deviation.
- Five consecutive mild deviations within 90 calendar days, would amount to a serious deviation.
- Three consecutive mild deviations within 90 calendar days and one serious deviation within the same period would amount to a severe deviation.
- Three consecutive serious deviations within 90 calendar days, would amount to a severe deviation.

Note: All administrative actions under this Incident management Policy, taken by GeM against any of the stakeholders shall be not cause any limitation on the legal and contractual remedies including any financial recoveries, available to Buyers/Sellers under the Terms and Conditions of contract and/or GeM policies. In case the Buyer / Seller choose to pursue any of these remedies, GeM shall not be made party to such proceedings / remedial actions taken by Buyer/Seller under the contractual provisions.

5. Annexure – 1

This annexure covers the scenarios for which buyer/seller will be automatically alerted and suspended/disabled/deregistered³ by the system on the basis of rule engines. Monthly reports need to be generated for all such cases.

Type of Entity	Rule	Deviation	Action to be taken ¹
Buyer	>= 3 contracts due for payment for more than 30days post scheduled payment time (CRAC + 10) at consignee level	Severe	Will not be allowed to carry out any further transactions i.e. <ul style="list-style-type: none"> - Will not be allowed to create new bid - Will not be allowed to create new indent - Will not be allowed to create new order till dues are cleared.
Buyer	>=5 contracts for which generation of CRAC has been delayed for more than 15 days post scheduled generation time (PRC+10) at consignee level	Severe	Will not be allowed to carry out any further transactions i.e. <ul style="list-style-type: none"> - Will not be allowed to create new bid - Will not be allowed to create new indent - Will not be allowed to create new order till CRAC is generated..
Seller	>60 days, have not performed any activity after registration (not even upload of product)		Deregistered
Seller	>= 3 contracts due for delivery for more than 30 days post scheduled delivery period Or >=2 bid contracts due for delivery for more than 30 days post scheduled delivery period		Suspended for such time i.e. till the time the seller takes corrective action to liquidate this pendency.
Seller	1. Consecutive 3 contracts delivered late by more than 45 days post scheduled delivery period – over rolling 30 days (measured from delivery date)	Severe	1. Suspended for 30 days.

³Deregister means the registration of the seller has been cancelled and the seller / SP will have to register afresh on GeM Portal

Incident Management on GeM 3.0

Type of Entity	Rule	Deviation	Action to be taken ⁱ
	<p style="text-align: center;">Or</p> <p>Consecutive 4 contracts delivered late by more than 30 days post scheduled delivery period – over rolling 30 days</p> <p style="text-align: center;">Or</p> <p>Consecutive 6 contracts delivered late by more than 10 days post scheduled delivery period – over rolling 30 days</p> <p>2. ≥ 4 contracts delivered late by more than 45 days post scheduled delivery period in three months (rolling 90 days – from delivery date)</p> <p style="text-align: center;">Or</p> <p>≥ 5 contracts delivered late by more than 30 days post scheduled delivery period in three months (rolling 90 days – from delivery date)</p> <p style="text-align: center;">Or</p> <p>≥ 7 contracts delivered late by more than 10 days post scheduled delivery period in three months (rolling 90 days – from delivery date)</p>	<p>Severe</p> <p>Severe</p> <p>Severe</p>	<p>2. Suspended for 30 days.</p>
Seller	1. > 1 contract (Direct /L1 Purchase) auto cancelled or declined in 30 days (rolling 30 days)	Mild	1. Seller/SP is alerted for corrective Action
Seller	<p>1. > 5 contract (Direct /L1 Purchase) auto cancelled or declined in 30 days (rolling 30 days)</p> <p>2. > 15 contract (Direct /L1 Purchase) auto cancelled or declined in 180 days (without getting suspended) - rolling 180 days</p>	Severe	<p>1. Suspended for 30 days.</p> <p>2. Suspended for 30 days.</p>

Incident Management on GeM 3.0

Type of Entity	Rule	Deviation	Action to be taken ⁱ
Seller	<p>1. =>3 contracts rejected/cancelled in 30 days due to partial delivery (rolling 30 days) Or => 4 contracts rejected/cancelled due to partial delivery in 90 days</p> <p>2. => 2 contracts rejected within 30 days due to quality issues (rolling 30 days) Or => 4 contracts rejected due to quality issues delivered in 90 days</p>	Severe	<p>1. Suspended for 30 days.</p> <p>2. Suspended for 30 days.</p>
Seller	<p>Cancelled by Buyer due to non-supply</p> <p>1. > 3contracts(DP/L1) in 30 days (rolling 30 days) Or > 1 contracts(Bid/RA) in 30 days (rolling 30 days) Or > 5 orders (DP/L1) in 90 days Or >2 orders (Bid/RA) in 90 days</p>	Severe	Suspended for 30 days.

*****END OF DOCUMENT*****

ⁱ Once the action is taken system generated notification will be reflected on respective user's GeM dashboard and / or sent through email for action and response at their end. Disposition of the response will be as per Section 3.0 of Incident Management Policy. (Dealing with deviation on GeM)