

No.F.6/2/2023-PPD  
Government of India  
Ministry of Finance  
Department of Expenditure  
Procurement Policy Division

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264-C, North Block, New Delhi.  
13.01.2023.

**OFFICE MEMORANDUM**

**Subject: - Regarding definition of Services and Works.**

This Department is in receipt of a reference from Government e-Marketplace (GeM) regarding confusion amongst buyers on definition of Works and Services. GeM is stated to be in receipt of many references regarding availing certain Services like repair, maintenance, overhauling, Annual/ Comprehensive Maintenance Contracts (AMC/ CMC) of pre-owned products through GeM.

2. In this regard, following is hereby clarified:

- a) The construction, fabrication, repair, maintenance, overhaul, renovation, decoration, installation, erection, excavation, dredging, and so on, of Civil assets should be handled as procurement of Works.
- b) Procurement of new product along with Installation, commissioning, training, AMC/CMC should be handled as procurement of Goods.
- c) Procurement of Repair, Maintenance, Overhauling, AMC/CMC or similar work for existing Electrical or Mechanical assets should normally be handled as procurement of Services.
- d) In case of composite contracts for Goods and Services. If the procurement value of Goods is substantial and rendering of Service is incidental then such procurement should be handled as procurement of Goods. Similarly, if the procurement value of Services is significant and supply of goods is incidental to the contract then such procurement can be handled as procurement of Services.
- e) In any case, rules for procurement of goods and services are almost same.

4  
13/01/2023

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To

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