

1. Introduction Vendor Assessment

Rule 149 of General Financial Rules-2017, requires GeM to certify the credentials of GeM suppliers. GeM is conceptualized as a complete online platform, where transactions are made with minimal dependence on paper documentation, inspections, or physical verification. GeM utilizes online validations with verified third party databases, assessment by qualified rating agencies and continuous evaluation of performance in GeM for certifying the Vendor credentials. These are done at different levels.

- a. The Identity of the Seller, Seller Turnover, GSTN registration status, Company Registration, Udyog Aadhar registration, DPIIT Start up registration etc. are verified through online data validations during registration, wherever the corresponding data is available with the respective databases with which GeM is integrated. Manufacturing/supply capability of sellers are validated through third party **Vendor Assessment Agency**.
- b. Reliability and performance of the resellers are continuously evaluated through GeM rating.
- c. Service providers are validated through a **Vendor Assessment Agency**.

2. Vendor Validation Policy:

The Vendor Validation Policy covers three distinct aspects of vendors that are captured and validated.

- A. Vendor Profile
- B. Vendor Functional Profile
- C. Vendor Performance in GeM

- A. The vendor profile related information, which include Personal identity, Nature of business entity, Financial and Professional status. These are validated through online integration with respective domain database as below. Wherever third-party domain data is not available, the information shall be validated by the third-party Vendor Assessment Agency.
 - a. Identity of the vendor: Online verification of AADHAAR/PAN
 - b. Name of the key person (in case of Firm/Company)- Online verification through Income Tax Return.
 - c. Company Registration: Verified through CIN validation with MCA-21
 - d. GSTN for vendors (having an annual turnover of more than

Rs.20,00,000): Through GSTN database validation.

- e. Financial status (Turnover)of the seller: Verified through Income Tax Return: The seller shall update turnover with latest financial year, after 15th October every year. In case entities who are exempted from Income Tax and not filing Return of Income, their turnover as declared will be accepted and vendors shall submit documentary evidence to the satisfaction of the buyer, while participating in bids, if turnover is a criteria for bid eligibility.
- f. MSME Status: Verified through Udyog Aadhaar
- g. Start-up status of the vendor: Verified through DPIIT database.

- B. **Vendor Functional Profile**, with respect to the supply capability and past experiences. Online Vendor Assessment is carried out by GeM through a third-party **Vendor Assessment Agency**. The validity of Vendor Assessment shall be 3 years. All sellers shall get fresh vendor assessment done within 3 years from date of vendor assessment. The name of the approved third-party Vendor Assessment Agency along with the GeM approved vendor assessment fees is annexed as **Annexure I**.

The seller (resellers and OEMs) assessment shall be done at two stages.

1. Seller profile- Actual physical existence of the seller, experience, Documentation for manufacturing/Authorization from OEMs. Supply Capability, other profile information which are not validated through database.
2. Functional profile- Manufacturing process and manufacturing capacity, Quality control.

The first stage is common for all sellers. The second stage is only for OEMs.

A set Vendor Assessment Exemption criterion will be available as per GeM Policy. In case GeM modifies the exemption criteria, existing exempted sellers, who are affected by the change of criteria will have to get their vendor assessment done within one (1) month of notification of such revised exemption criteria.

An inclusive list of exempted sellers is provided as below:

- a. Sellers having an annual turnover of Rs. 500 Crore or more, at least in one of the last three years as captured during registration.

- b. Central / State PSUs.
- c. Sellers who are Registered Societies/ Trusts or any other bodies with Government Representation.
- d. KVIC, WDO, Coir Board, TRIFED.
- e. OEMs holding BIS License (CML) for the particular product category which are validated through BIS database. Normal validity for this exemption will be three years. The seller is mandated to notify GeM in case cancellation of BIS license following which the exemption will be withdrawn.
- f. Sellers recommended for exemption for specific categories (created specifically for the Buyer Organization (s) recommending VAE) and specified validity period by any CPSE, Central and State Government Departments/ Authorities. *The following prerequisites shall be met for such exemptions:*
 - i. Seller(s) and procurement item(s) shall be recommended by Competent Authority at buyer organization for exemption
 - ii. Procurement item(s) / List of categories is approved by the Functional Head , GeM (in charge of Catalogue Management) for exemption certifying that the recommended categories are Buyer Specific categories created for the recommending Buyer organization (s).
 - iii. The recommendation of exemption of any seller (corresponding to a category) shall be verified / confirmed (by the **Vendor Assessment Agency** , or any other agency) with both
 - Nodal officer of buyer organization,
 - Category Manager at GeM.
- g. Vaccine manufacturer as per list provided by Ministry of Health & Family Welfare.
- h. Drugs/Medicine manufacturer with "Notarized Undertaking" & "Valid certified copy of Drug Licenses from the issuing/concerned Drug Authority"
- i. Medical Device manufacturer with "Valid Manufacturing License" from the issuing Licensing Authority
- j. Any other category of sellers as notified with the approval of CEO-GeM.

C. **Vendor Performance in GeM portal.** Once registered and validated either as an OEM or authorized re-seller, the credentials are dynamically validated based on their performance and rating on the platform. This rating establishes the credentials of the vendors.

3. **Validation of Service Provider:** Service provider credentials will be validated by Vendor Assessment Agency. Once so validated, any further updation to the profile will again be subject to verification by the third-party **Vendor Assessment Agency**.

4. **Reassessment of Sellers:**
Assessed sellers shall apply for fresh assessment at least 2 months before the expiry of the validity Vendor Assessment. Sellers can also apply for fresh assessment at their choice at any time on payment of requisite fee., After receipt of new Vendor Assessment report, the old VA report will become invalid.

5. **Conclusion:**
Any updation or change in the status of the information validated at the time of registration or assessment shall be enabled for updation by the vendor from time to time with online validation wherever possible.

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Effect of change in Policy Version 3.2: Consequent to change in the third-party Vendor Assessment Agency from Quality Council of India to RITES and change in the fee structure, relevant amends in earlier Policy version 3.1 have been carried out.

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

ANNEXURE-I**VENDOR ASSESSMENT AGENCY DETAILS**

1. Name of Approved third-party Vendor Assessment Agency: RITES LTD.
2. Approved Vendor Assessment Fees to be paid directly to Vendor Assessment Agency

S.No	Category of Seller	Fees
A	OEM:	
	i. Having turnover upto Rs.20,00,000	Rs.871.61+ GST as applicable
	ii. Having turnover from 20,00,001 to 1,00,00,000	Rs.1743.22 + GST as applicable
	iii. Having turnover above Rs.1,00,00,000	Rs. 3486.44 + GST as applicable
B	Re-Sellers:	
	i. Having turnover upto Rs.20,00,000	Rs. 217.90+ GST as applicable
	ii. Having turnover from 20,00,001 to 1,00,00,000	Rs. 435.81+ GST as applicable
	iii. Having turnover above Rs.1,00,00,000	Rs. 871.61+ GST as applicable
