PUBLIC PROCUREMENT PHILOSOPHY, CONCEPTS AND RULES

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Principals of public procurements

Transparency
Fair And Equitable treatment
Promote Competition
Efficiency & Economy
Responsibility & Accountability
Yard Sticks For Conformity To These Principles

❖ Objective, Functional, Generic & measurable parameters
❖ Not to indicate a particular trade mark/brand
❖ No Superfluous and non-essential features
❖ In requisite quantities
❖ Prices are reasonable and consistence with the quality
❖ Annual procurement plan
Methods of Procurements

AS PER GFR-2017

Rule 149 : Government E-market Place (Gem)
Rule 154 : Purchase Of Goods Without Quotation (Local Purchase)
Rule 155 : Purchase Of Goods By Purchase Committee
Rule 156 : Purchase Of Goods Directly Under Rate Contract
Rule 158 : Purchase Of Goods By Obtaining Bids
Rule 167 : Electronic Reverse Auction
OBJECTIVE OF PROCUREMENT OPTIMISATION
OF

Right Quality

At Right Time

At Right price
## Conventional versus GeM Procurement

<table>
<thead>
<tr>
<th>Method</th>
<th>Conventional Procurement</th>
<th>GeM Procurement</th>
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</thead>
<tbody>
<tr>
<td>Local purchase</td>
<td>Up to Rs. 25000/- Practical difficulties to survey market</td>
<td>Up to Rs. 50,000/- Market is on your finger tips</td>
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<tr>
<td></td>
<td>Generally Limited choice/ Regular suppliers</td>
<td>Many options to choose</td>
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<td></td>
<td>QUALITY ASSURANCE : BUYER</td>
<td>Truly Transparency</td>
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<tr>
<td>Local purchase Committee</td>
<td>Up to Rs. 2,50,000/- QUALITY ASSURANCE : PURCHASE COMMITTEE</td>
<td>Better price due to open competition QUALITY ASSURANCE : BUYER</td>
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<tr>
<td></td>
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<td>Above Rs. 50,000/- Gem provide for</td>
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<tr>
<td></td>
<td></td>
<td>- Direct Purchase from L1 (up to Rs. 30,000,000)</td>
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<tr>
<td></td>
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<td>- Bidding process of GeM</td>
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<tr>
<td></td>
<td></td>
<td>- RA process of GeM</td>
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<tr>
<td></td>
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<td>QUALITY ASSURANCE : consignee / buyer or third party appointed by purchaser.</td>
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## Conventional versus GeM Procurement (cont..)

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<tr>
<td>Through tendering</td>
<td>Limited tender (up to 25 lakh) &amp; advertise tender (above 25 lakh) Registered Suppliers / Approved contractor Cumbersome and lengthy process Possibility of Subjectivity in decision making Which may lead to Controversy and complaints QUALITY ASSURANCE: consignee / buyer or third party appointed by purchaser.</td>
<td>- Bidding process of GeM - RA process of GeM QUALITY ASSURANCE: consignee / buyer or third party appointed by purchaser.</td>
</tr>
<tr>
<td>From DGS&amp;D Rate Contract</td>
<td>Only for items available on Rate Contract Very Limited options Prices not as per market dynamics Involvement of many departments QUALITY ASSURANCE: Third party/ consignee</td>
<td></td>
</tr>
</tbody>
</table>
GeM: BENEFITS

- Greater transparency, efficiency and speed in public procurement
- Relieves public agencies of repetitive tendering and provide choices. Cuts down on administrative and transaction costs
- Public procurement averages from 10-20% of every Department spending. DGS&D procurement itself amounts to more than Rs.10,000 crores annually.
- Leveraging economies of scale by Demand Aggregation with standard specifications
- Potential to support Make in India
GeM: Inclusion of Services

- Each Department/Ministry individually outsources services like taxi, facility management, IT services, manpower, etc.
- These are contracted manually and repetitively with non-standardised Service Level Agreements (SLA)
- Hiring of taxi service introduced in GeM: online and with standard SLA
- New features of spot and leasing also added
- Spot hiring provides low cost and convenient option to Government officials
- Features of SLA, online automatic log book generation, provision for GPS generated report
THANK YOU