

PROCUREMENT MADE SMART

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

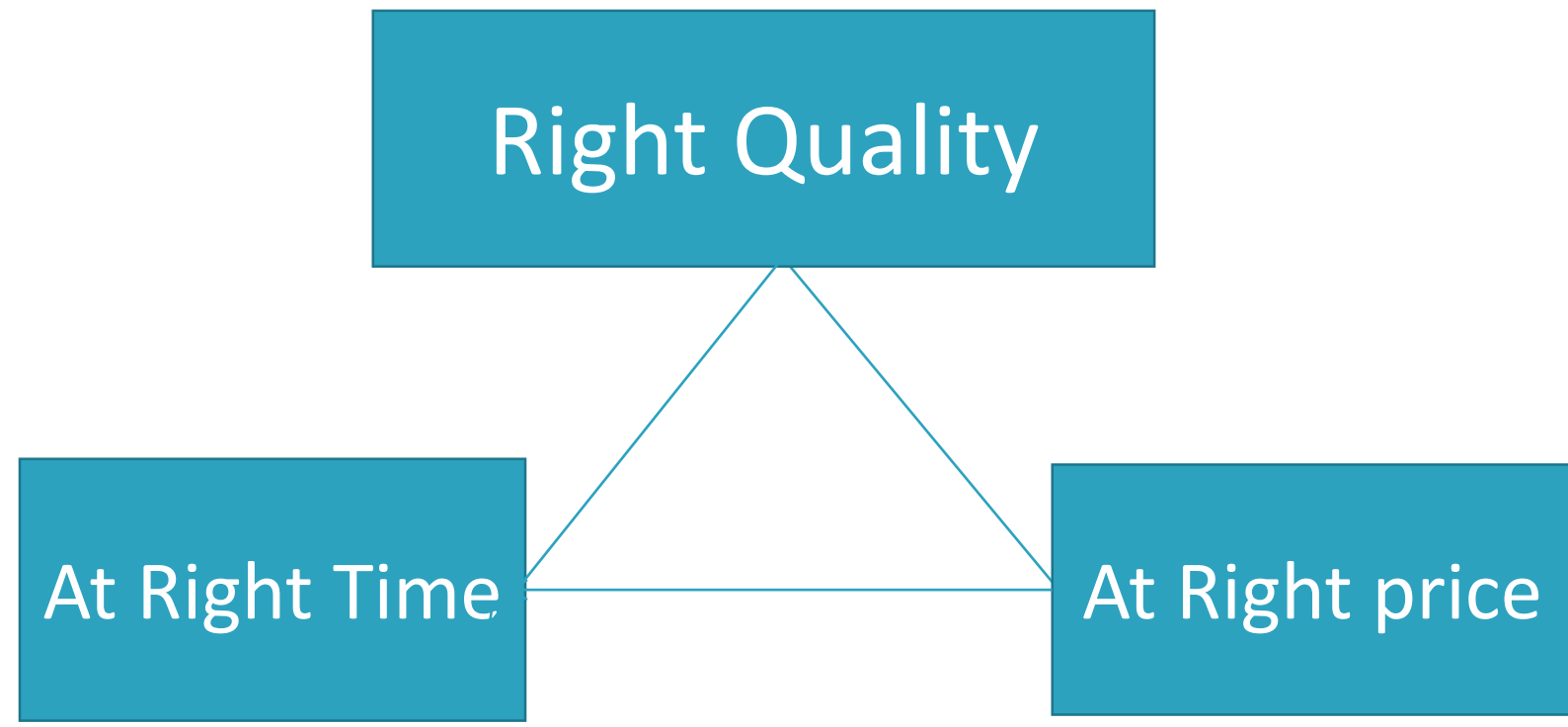
Rule 156 : Purchase Of Goods Directly Under Rate Contract

Rule 158 : Purchase Of Goods By Obtaining Bids

Rule 167 : Electronic Reverse Auction



OBJECTIVE OF PROCUREMENT OPTIMISATION OF



Conventional versus GeM Procurement



Method	Conventional Procurement	GeM Procurement
Local purchase	<p>Up to Rs. 25000/-</p> <p>Practical difficulties to survey market</p> <p>Generally Limited choice/ Regular suppliers</p> <p>QUALITY ASSURANCE : BUYER</p>	<p>Up to Rs. 50,000/-</p> <p>Market is on your finger tips</p> <p>Many options to choose</p> <p>Truly Transparency</p> <p>Better price due to open competition</p> <p>QUALITY ASSURANCE : BUYER</p>
Local purchase Committee	<p>Up to Rs. 2,50,000/-</p> <p>QUALITY ASSURANCE : PURCHASE COMMITTEE</p>	<p>Above Rs. 50,000/- Gem provide for</p> <ul style="list-style-type: none"> - Direct Purchase from L1 (up to Rs. 30,00,000) - Bidding process of GeM - RA process of GeM <p>QUALITY ASSURANCE : consignee / buyer or third party appointed by purchaser.</p>

Conventional versus GeM Procurement (cont..)

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



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

