



भारतीय समुद्री विश्वविद्यालय INDIAN MARITIME UNIVERSITY

(Central University, Govt. of India)

HEADQUARTERS

Ref. No.: IMU-HQ/R/71/60/2/2019-PUR

17.09.2020

INDIAN MARITIME UNIVERSITY

IMU-HQ Procurement Circular 1/2020

Sub: Constitution of Works/ Purchase/ Library Committees based on Ordinance 65 of 2015 – repealing of Circular of IMU-HQ issued vide letter No. IMU-HQ/R/71/60/1/2018-PUR, dated 09.04.2019 and its addendum - reg.

- Ref:**
- (1) Ordinance 65 of 2015.
 - (2) Circular for Constitution of Various Committees of IMU-HQ issued vide letter No. IMU-HQ / R/ 71/ 60/ 1/ 2018 - PUR, dated 09.04.2019.
 - (3) Addendum Circular of IMU-HQ issued vide letter No. IMU-HQ/R/71/60/1/2018-PUR, dated 01.07.2019.
 - (4) Revised Circular of IMU-HQ issued vide letter No. IMU-HQ/R/71/60/1/2019-PUR dated 22.10.2019.
 - (5) Addendum Circular – II Constitution of Various Committees dated 06.03.2020.

1. This Circular repeals the Circulars referred at (2),(3),(4) and (5) above and is effective from 17.09.2020 until further orders.

2. The details and composition of the various Committees constituted by the Vice Chancellor shall be as described in the following paragraphs.

3. **Works Committees**

- (a) Works taken up under '*Plan funds*' are decided at the IMU/Ministry level, and in most cases, entrusted to CPWD. No '*Works Committee*' is needed for Plan Works. Works Committee is needed only for works taken up under funds '*Other than Plan Funds*'. But even here, Works Committee is not needed for works costing up to Rs.2.5 lakhs. The Campus Director himself can grant approval for such works; through formation & recommendation of *Local Purchase Committee* but the file should necessarily be routed through the Assistant Registrar (Finance) / designated Group 'A' Officers in Finance Section and the Deputy Registrar / designated Group 'A' officers in

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Administration of the Campus.

- (b) The 'Administrative Approval' as well as 'Tender Approval' for Works taken up under funds 'Other than Plan Funds' and whose cost exceeds Rs.2.5 lakhs shall be accorded by the Campus Director / Vice Chancellor / Executive Council, as per 'Ordinance on Delegation of Financial Power' as the case, may be, based on the recommendations of the Works Committee.
- (c) For works taken up under funds 'Other than Plan Funds' and whose value of works exceeds Rs.2.5 lakhs but up to Rs.20 lakhs, the composition of the Works Committee shall be as follows:

Sl No	Designation	Role
1.	a) One Senior Faculty not below the rank of Associate Professor, nominated by the Campus Director-Chairman. b) In case of non-availability of Associate Professor, Campus Director may nominate Assistant Professor/ Group 'A' Officer as Member;	Chairman Member or Chairman
2.	Deputy Registrar / Group 'A' Officer / Faculty	Member
3.	Assistant Registrar (Finance)/ designated Group 'A' Officer	Member
4.	Assistant Engineer (Civil) / (Electrical) (Regular /Contract employees of IMU) of the Campus	Member
5.	One Senior Faculty not below the rank of Assistant Professor, nominated by the Campus Director. In case of non-availability of Assistant Professor, Campus Director may nominate any Group 'A' Officer from their respective Campuses.	Member
6.	Superintendent Engineer (Civil/Electrical), CPWD or his nominee not below the rank of Executive Engineer.	Member

- (d) With regard to Sub-Para 3(c) above, following is to be adhered to:-
- (i) *Without exception, senior most Group 'A' Officer / Faculty (Regular employee of IMU) of the Committee shall be the 'Chairperson'.*
- (ii) Campus Director may nominate any Group 'A' Officer / Faculty from their respective Campuses as 'Convener' / 'Secretary' of the Works Committee Meeting.
- (iii) In case of non-availability of Assistant Registrar (Finance), Campus Director may nominate any designated Group 'A' Officer in Finance section from the respective Campus.
- (iv) *The Quorum for the meeting of the Works Committee shall be 3 (Three) Members out of which one should necessarily be IMU's Assistant Engineer or the CPWD Engineer. The other Members would*

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be the Chairman and necessarily an Officer from Finance Department.

- (e) For the Works taken up under 'Other than Non-Plan Funds' and whose Value of Works is above Rs.20 lakhs and up to Rs.1 crore, the composition of the Committee is as follows:

Sl No.	Designation	Role
1.	a) Senior Faculty not below the rank of Associate Professor, nominated by the Campus Director b) In case of non-availability of Associate Professor, Campus Director may nominate Assistant Professor/ Group 'A' Officer as Member;	Chairman Member or Chairman
2.	Deputy Registrar / Group 'A' Officer / Faculty	Member
3.	Assistant Registrar (Finance)/ designated Group 'A' Officer	Member
4.	Assistant Engineer (Civil/Electrical) (Regular/ Contract employee of IMU) of the Campus	Member
5.	Two Senior Faculties from the rank of Assistant Professor and above, nominated by the Campus Director – Members. In case of non-availability of Assistant Professors, Campus Director may nominate any Two Group 'A' Officers from their respective Campuses.	Members
6.	Chief Engineer (Civil), CPWD or his nominee not below the rank of Superintendent Engineer (SE). In case SE is not available, Executive Engineer (EE) may be nominated.	Member
7.	Architect, CPWD	Member
8.	One Group 'A' Officer from IMU HQ, nominated by VC	Member
9.	One Group 'A' Officer from another Campus, nominated by VC	Member

- (f) With regard to Sub-Para 3(e) above, following is to be adhered to:-
- Without exception, Senior most Officer / Faculty (Regular employee of IMU) of the Committee shall be 'Chairperson'.
 - Campus Director may nominate any Group 'A' Officer / Faculty from their respective Campuses as 'Convener' / 'Secretary' of the Works Committee Meeting.
 - In case of non-availability of Assistant Registrar (Finance), Campus Director may nominate designated Group 'A' Officer in Finance Section from their respective Campuses.

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- (iv) The Quorum for the meeting of the Works Committee shall be 5 (Five) Members, physically present, out of which one should necessarily be the CPWD Engineer / Architect and the other should necessarily be the Vice Chancellor's nominee (either from IMU HQ or from another Campus). *The other Members would be the Chairman and necessarily an Officer from Finance Department.*
- (v) In case of non-availability of VC's Nominee from IMU Campuses, the Campus Director concerned should propose, well in advance, a suitable member from their Campus in lieu there of, to the Vice Chancellor through Registrar for nomination. Similarly, in case of non-availability of VC's Nominee from IMU Headquarters, the Campus Director concerned shall intimate to Registrar, well in advance, for proposing a Member from Headquarter as VC's Nominee.
- (vi) Physical attendance of VC's Nominee from IMU HQ for Works Committee Meetings, shall be required, till appointment of Group 'A' Officers in Engineering Section, on regular basis, at Campuses concerned.
- (g) For the Works taken up under '*Other than Non-Plan Funds*' and whose Value of Works is above Rs.1 crore, the composition of the Committee is as follows:

Sl. No.	Designation	Role
1.	The Campus Director	Chairman
2.	a) Senior Faculty not below the rank of Associate Professor, nominated by the Campus Director b) In case of non-availability of Associate Professor, Campus Director may nominate Assistant Professor/ Group 'A' Officer as Member;	Member
3.	Deputy Registrar / Group 'A' Officer / Faculty	Member
4.	Assistant Registrar (Finance)/ designated Group 'A' Officer	Member
5.	Assistant Engineer (Civil/Electrical) (Regular/ Contract employee of IMU) of the Campus	Member
6.	Two Senior Faculties from the rank of Assistant Professor and above, nominated by the Campus Director - Members. In case of non-availability of Assistant Professors, Campus Director may nominate any Two Group 'A' Officers from their respective Campuses.	Members
7.	Chief Engineer (Civil), CPWD or his nominee not below the rank of Superintendent Engineer (SE). In case SE is	Member

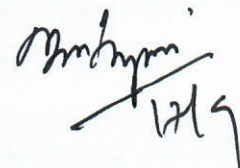
	not available, Executive Engineer (EE) may be nominated.	
8.	Architect, CPWD	Member
9.	One Group 'A' Officer from IMU HQ, nominated by VC	Member
10	One Group 'A' Officer from another Campus, nominated by VC	Member

(h) With regard to Sub-Para 3(g) above, following is to be adhered to:-

- (i) *In respect of Constitution of Committee for the Value above One Crore in Works, Campus Director has to forward the list of constituted committee to IMU-HQ, well in-advance for obtaining approval of IMU-HQ.*
- (ii) Campus Director may nominate any Group 'A' Officer / Faculty from their respective Campuses as 'Convener' / 'Secretary' of the Works Committee Meeting.
- (iii) In case of non-availability of Assistant Registrar (Finance), Campus Director may nominate designated Group 'A' Officer in Finance Section from their respective Campuses.
- (iv) The Quorum for the meeting of the Works Committee shall be 5 (Five) Members, physically present, out of which one should necessarily be the CPWD Engineer / Architect and the other should necessarily be the Vice Chancellor's nominee (Either from IMU HQ or from another Campus). *The other Members would be the Chairman and necessarily an Officer from Finance Department.*
- (v) In case of non-availability of VC's Nominee from IMU Campuses, the Campus Director concerned should propose, well in advance, a suitable member from their Campus in lieu thereof, to the Vice Chancellor through Registrar for nomination. Similarly, in case of non-availability of VC's Nominee from IMU Headquarters, the Campus Director concerned shall intimate to Registrar, well in advance, for proposing a Member from Headquarter as VC's Nominee.
- (vi) Physical attendance of VC's Nominee from IMU HQ for Works Committee Meetings, shall be required, till appointment of Group 'A' Officers in Engineering Section, on regular basis, at Campuses concerned.

4. **Purchase Committees**

- (a) The Purchase Committee is necessary for making all purchases - both under 'Plan Funds' and 'Other than Plan Funds'. But even here, Purchase



Committee is not needed for items costing up to Rs.2.5 lakhs. The Campus Director can himself grant approval for such purchases; through formation & recommendation of Local Purchase Committee [Rule 155 of Ministry of Finance, Department of Expenditure, Procurement Policy Division, Govt. of India's OM. No.F.1/26/2018-PPD dated 02.04.2019, as amended from time to time] but the file should necessarily be routed through the Assistant Registrar (Finance) / designated Group 'A' Officers in Finance Section and the Deputy Registrar / designated Group 'A' officers in Administration of the Campus. For all other purchases – whether under 'Plan Funds' or 'Other than Plan Funds' - the composition of the Purchase Committee shall be as detailed in succeeding paragraphs.

- (b) For Value of Purchases between Rs.2.5 lakhs and Rs.20 lakhs the composition of the Committee is as follows:

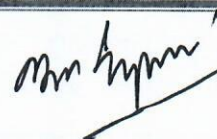
SI No	Designation	Role
1.	a) One Senior Faculty not below the rank of Associate Professor, nominated by the Campus Director-Chairman. b) In case of non-availability of Associate Professor, Campus Director may nominate Assistant Professor/ Group 'A' Officer as Member;	Chairman Member or Chairman
2.	Deputy Registrar/ Group 'A' Officer / Faculty	Member
3.	Assistant Registrar (Finance) / designated Group 'A' Officer	Member
4.	One Senior Faculty not below the rank of Assistant Professor, nominated by the Campus Director – Member. In case of non-availability of Assistant Professor Campus Director may nominate any Group 'A' Officer from their respective Campuses;	Member
5.	Two experts (internal/external) Regular/ Contract employee of IMU in the relevant field (not below the rank of Assistant Registrar / Group 'A' Officer), nominated by the Campus Director – Members.	Members

- (c) With regard Sub-Para 4(b) above, following is to be adhered to:-
- (i) Without exception senior most Officer/Faculty (Regular employee of IMU) of the Committee shall be Chairperson.
 - (ii) Campus Directors may nominate any Group 'A' Officer / Faculty from their respective Campuses as Convener / Secretary of the Works Committee Meeting.
 - (iii) In case of non-availability of Assistant Registrar (Finance), Campus Directors may nominate designated Group 'A' Officer in Finance Section from their respective Campuses.

- (iv) The Quorum for the meeting of the Purchase Committee shall be 3 members out of which one should necessarily be the expert (Internal / external) in the relevant field. *The other Members would be the Chairman and necessarily an Officer from Finance Department.*
- (v) The purchases of 'Text Books and Course Materials' for distribution to the students [*vide SI. No. B (g) of the Ordinance No.62 of 2015*] would also fall within the purview of the 'Purchase Committee'.
- (d) For Value of Purchases above Rs.20 lakhs, the composition of the Committee is as follows:

SI No	Designation	Role
1.	a) One Senior Faculty not below the rank of Associate Professor, nominated by the Campus Director –Chairman. b) In case of non-availability of Associate Professor Campus Director may nominate Assistant Professor/ Group 'A' Faculty ;	Chairman Member or Chairman
2.	Deputy Registrar - Member, Group 'A' Officer / Faculty-Member;	Member
3.	Assistant Registrar (Finance)/ designated Group 'A' Officer - Member;	Member
4.	Two Senior Faculties not below the rank of Assistant Professor, nominated by the Campus Director - Members;	Members
5.	Two experts (internal/external) regular/ contract employee of IMU in the relevant field (not below the rank of Assistant Professor / Assistant Registrar / Group 'A' Officer), nominated by the Campus Director - Members;	Members
6.	One Group 'A' Officer from IMU HQ, nominated by VC - Member;	Member
7.	One Group 'A' Officer from another Campus, nominated by VC - Member	Member

- (e) With regard to Sub-Para 4(d) above, following is to be adhered to:
- (i) Without exception senior most Officer/Faculty (Regular employee of IMU) of the Committee shall be Chairperson.
- (ii) Campus Director may nominate any Group 'A' Officer / Faculty from their respective Campuses as Convener / Secretary of the works Committee Meeting.
- (iii) In case of non-availability of Assistant Registrar (Finance), Campus Directors may nominate designated Group 'A' Officer in Finance Section from their respective Campuses.
- (iv) The Quorum for the meeting of the Purchase Committee shall be 5



Members out of which one should necessarily be the External Expert in the relevant field and the other should necessarily be the Vice Chancellor's Nominee (either from IMU HQ or from another Campus). *The other Members would be the Chairman and necessarily an Officer from Finance Department.*

- (v) The requirement of attending the Technical Bid Opening and the Price Bid Opening by the VC's nominee from IMU Campuses and IMU Headquarters (HQ), is brought out in the Table below:

VC's Nominee from IMU Campus		VC's Nominee from IMU HQ	
Technical Bid opening	Price Bid opening	Technical Bid opening	Price Bid opening
Should Physically attend	Should attend through 'Video Conference mode'	Should attend through 'Video Conference mode'	Should Physically attend

In case of non-availability of VC's Nominee from IMU Campuses, the Campus Director concerned should propose, well in advance, a suitable member from their Campus in lieu thereof, to the Vice Chancellor through Registrar for nomination. Similarly, in case of non-availability of VC's Nominee from IMU Headquarters, the Campus Director concerned shall intimate to Registrar, well in advance, for proposing a Member from Headquarter as VC's Nominee.

- (f) The 'Administrative Approval' at each stage of Tender for Purchases - whether under 'Plan Funds' and under funds 'Other than Plan Funds' - whose cost exceeds Rs.2.5 lakhs shall be accorded by the Campus Director/Vice Chancellor/Executive Council as the case may be based on the recommendations of the Purchase Committee.
- (g) Notwithstanding the above, the Vice Chancellor reserves the right to constitute a separate 'High Power Committee' [*vide SI. No.A (i)(b) and SI. No. B (b) of the Ordinance No.62 of 2015*] to suggest specifications for high value and highly technical items (e.g. Simulators) wherever deemed fit, and the 'Purchase Committees' shall abide by the same.
- (h) The purchases of 'Text Books and Course Materials' for distribution to the students [*vide SI.No.B (g) of the Ordinance No.62 of 2015*] will also fall within the purview of the 'Purchase Committee'.
- (i) In respect of Constitution of Various Committee for the Value above One Crore in Purchase Committee, Campus Director has to forward the list of constituted committee to IMU-HQ, well in-advance for obtaining approval of IMU-HQ.

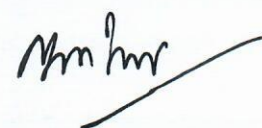
5. **Library Purchase Committees**

- (a) For Subscriptions of Library Books, Periodicals including Online Books/ Journals (i.e. e- books, e-journals, e-magazines, e-databases etc.) not

exceeding Rs.2.5 lakh per year, may be done by the Campus Director himself in consultation with the Assistant Librarian/Library-in-charge of the Campus and the file concerned should be routed through the Assistant Registrar (Finance) / designated Group 'A' Officer in Finance Section and Deputy Registrar / designated Group 'A' Officer in Administration of the Campus.

- (b) The Campus Directors are empowered to purchase Library Books, Journals, Magazines etc. Subscriptions required for their Campus libraries above Rs.2.5 lakhs and up to Rs.50 lakhs per year [*vide SI.No.A(i)(c) of the Ordinance No.62 of 2015*] under 'Plan Funds' based on the recommendations of the 'Library Purchase Committee'. The same financial limit and recommendations of the Library Purchase Committee shall also apply to Purchases / Subscriptions under funds 'Other than Plan Funds'.
- (c) Campus Directors are requested to project their Budgetary requirements for the procurement of Online subscriptions of Library Books / Journals / Magazines in Budget Estimate and Revised Estimate of Recurring Expenditure, on yearly basis. Budget Limit for Online Journals is fixed at Rs.5 Lakhs per Annum / per Campus for the Financial Year 2019-20 and 2020-21.
- (d) For Subscriptions of Library Books / Journals / Magazines above Rs.2.5 lakhs per year, the composition of the Library Purchase Committee shall be as follows:

Value of Purchase above Rs.2.5 lakhs and upto Rs.50 lakhs		
SI No	Designation	Role
1.	a) Senior Faculty not below the rank of Associate Professor, nominated by the Campus Director – Member.	Chairman
	b) In case of non-availability of Associate Professor Campus Director may nominate Assistant Professor/ Faculty as Member ;	Member or Chairman
2.	Deputy Registrar / Group 'A' Officer / Faculty	Member
3.	Assistant Registrar (Finance)/ designated Group 'A' Officer	Member
4.	Assistant Librarian / Library-in-charge of the Campus - Member, ex- officio;	Member, ex- officio;
5.	Two Senior Faculties not below the rank of Assistant Professor, nominated by the Campus Director – Members. In case of non-availability of Assistant Professor, Campus Director may nominate any Group 'A' Officer / Faculty from their respective Campuses;	Members
6.	Two external library experts (not below the rank of Assistant Librarian) nominated by the Campus Director -	Members



	Members.	
7.	One Group 'A' Officer from IMU HQ, nominated by VC	Member
8.	One Group 'A' Officer from another Campus, nominated by VC	Member

(e) With regard to Sub-Para 5(d) above, following is to be adhered to:

- (i) Without exception senior most Officer/Faculty (Regular employee of IMU) of the Committee shall be Chairperson.
- (ii) The Assistant Librarian/ Library-in-charge shall be Convener/Secretary of the Library Purchase Committee.
- (iii) The Quorum for the meeting of the Library Purchase Committee shall be 5 (Five) Members out of which one should necessarily be the external library expert and the other should necessarily be the Vice Chancellor's nominee (either from IMU HQ or from another Campus). *The other Members would be the Chairman and necessarily an Officer from Finance Department.*
- (iv) The requirement of attending the Technical Bid Opening and the Price Bid Opening by the VC's nominee from IMU Campuses and IMU Headquarters (HQ), is brought out in the Table below:

VC's Nominee from IMU Campus		VC's Nominee from IMU HQ	
Technical Bid opening	Price Bid opening	Technical Bid opening	Price Bid opening
Should Physically attend	Should attend through 'Video Conference mode'	Should attend through 'Video Conference mode'	Should Physically attend

In case of non-availability of VC's Nominee from IMU Campuses, the Campus Director concerned should propose, well in advance, a suitable member from their Campus in lieu thereof, to the Vice Chancellor through Registrar for nomination. Similarly, in case of non-availability of VC's Nominee from IMU Headquarters, the Campus Director concerned shall intimate to Registrar, well in advance, for proposing a Member from Headquarter as VC's Nominee.

- (f) In respect of Constitution of Committee for the Value above Rs.50 lakhs in Library Purchase, Campus Director has to forward the list of constituted committee to IMU-HQ, well in-advance for obtaining approval of IMU-HQ.

6. The common Roles & Responsibilities of all Campuses / IMU HQ with regard to mandatory usage of GeM / CPP Portals as per GFR 2017 are as follows:-

- (a) The Procurement of Goods and Services by IMU will be mandatory for Goods or

Services available on GeM. Rule 149 of GFR provides for the mandatory procurement of common use of Goods and Services (by Indian Maritime University) for Goods or Services available on GeM. [*Authorisation for Creation of Primary and Secondary User for procurement through GeM and Purchase Options-Annexure-1*].

- (b) It is mandatory for all IMU HQ and its Campuses to publish their tender enquiries, corrigenda thereon and details of bid awards on the Central Public Procurement Portal (CPPP). IMU HQ and its Campuses which obtain bids in physical format are to use e-Publishing module of CPPP for publishing of tender related information. This entails publishing of all tender enquiries, corrigenda thereto and awards of contract thereon on the CPP Portal.
- (c) In the future (On completion of the Registration for obtaining Digital Signature Certificates [DSCs] etc.), IMU HQ and its Campuses have to fall in line with other Government entities in receipt of all bids through e-procurement portals in respect of all procurements. The above would cover the complete tendering process starting from online publishing of tender enquiries, online bid submission by the bidders, online bid opening, uploading of bid evaluation results and publication of award of Contract. [*Creation of User Accounts for officials of the IMU on CPP Portal - Annexure-2*].

7. **Roles & Responsibilities of Works Committee as per Rule 139 of GFR are as follows:-**

- (a) Based on the procedures and the principles underlying the financial and accounting rules prescribed, Works are carried out by the Central Public Works Department (CPWD). As such, it should be ensured that preparation of Detailed Design and Estimates shall precede any sanction for works.
- (b) No work shall be undertaken before Issue of Administrative Approval and Expenditure Sanction by the Competent Authority on the basis of Estimates Framed;
- (c) It should be ensured that the execution of Contract Agreement or Award of work is done before commencement of the work;
- (d) The Works Committee shall ensure observance of due process in the planning and execution of works, check the reasonability of the estimates and other technical details and monitor the execution of the works.

8. **Roles & Responsibilities of Purchase Committee are as follows:-**

- (a) Justification of the Quality, Quantity and Price of the proposed procurement keeping in view the overall interest of the University.
- (b) Advising the Competent Authority to seek Clarification / Recommendation from the



User Department / Vendor on proposals placed before it for consideration, in case of necessity.

- (c) Collecting and Analyzing of Quotations in the very beginning to understand the Approximate value of the Proposal and provide recommendation for approval.
- (d) Playing an effective role in the Pre-qualification process.
- (e) The finalization of the Terms and Conditions of the Tender documents.
- (f) The finalization of Technical and Commercial evaluation of the Tender and all other associated activities
- (g) Ensuring that the Supplies and Services quoted, comply with the requirement.
- (h) Ensuring Proportionality, Transparency, Accountability and Fairness in the procurement process.
- (i) Associating with other High Power Experts Committee constituted for the same purpose.
- (j) Ensuring samples are available for review, if relevant and are returned to all unsuccessful bidders.
- (k) Concurrence of members of Committee shall be made mandatory with regard to the contents of tender document i.e the tender must be floated after obtaining concurrence from all the members constituted for the purpose. In exceptional cases where obtaining the concurrence of all the members become difficult, decision of quorum shall be final.
- (l) All the members of Committee have to submit their remarks / consent to the Chairman of the Committee within three days from the date of receipt of the draft tender, otherwise it will be treated as final.

9. **Roles & responsibilities of Library Purchase Committee are as follows:-**

- (a) To advise the Administration on matters of Uniform Procurement policy relating to purchase of Books, Scientific Journals in Print Form & Online (Indian & Foreign, e-Resources).
- (b) To advise the best procurement practice, for online subscription of Maritime Journals, in keeping with the international standards for IMU.
- (c) To provide the Template of Standard Bidding Documents for the procurement of the above Library Resources.
- (d) The IMU may empanel more than one Supplier / Publisher and shall be free to purchase books and journals through any one or more of them. If, in case, there is a tie with regard to the quoted price among the Suppliers / Publishers, the required Quantity will be shared equally among them. However, the act of empanelment shall not deprive the IMU of its right to purchase books and journals directly without routing them through the empanelled agencies. [*Empanelment*

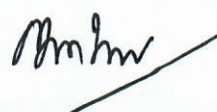
means just eligibility of a bookseller to receive order for supply of books if selected for purchase by the concerned officer of the IMU].

- (e) Discount rates offered by the firms shall not be linked with the quantum of the purchase order.
- (f) In order to bring about uniformity and standardization in the terms of supply, it is advised to deal only with Good Offices Committee (GOC) approved vendors of Federation of Publishers and Booksellers Association in India (FPBSA) and Vendors of State level Book Trade Associations. However, the conversion rates of a foreign currency to Indian currency will be as per Reserve Bank of India (RBI) conversion rate. GOC rates for conversion will not be acceptable.
- (g) On obtaining the proof of RBI/ nationalized bank exchange selling rates having prices in foreign currencies on the date of invoice for supplied Library Books and other Monographs, payment will be made against pre-receipted bills after the supply is made against the proper purchase orders issued by the IMU. Price Proof: Accepted Price Proof are: (Signed & Stamped by supplier) distributor's invoice to supplier, Printout from the Publisher's catalogue, Photocopy from Publisher Catalogue for some Indian publications, price mentioned on the title. Alternatively, Library also cross verifies the prices from Publisher's Website. Such printouts verified and signed by library staff will be accepted as price proof.

10. **Mandatory contents of the Minutes of the Meeting:**

Wherever VC's nominee from Campuses / IMU HQ is participating through Video Conference mode or In-person, the Nominee must ensure that,

- (a) The proposal is within the Budget provisions (approved budget copy, budget availability of the specified works for the specified period)
- (b) Total fund requirements, sourcing of funds shall be recorded clearly in the minutes of the meeting.
- (c) Fund availability (CDF or SFC).
- (d) Campus shall not approve the works or procurement out of HQ's UDF.
- (e) If there is any need for the fund from HQ (UDF), then the Campus should have prior approval from HQ for sourcing of funds and during the meeting and the same shall be recorded in the minutes, with reference to the approval by HQ.
- (f) To ensure that the AAES is accorded as per delegation of financial powers.
- (g) There is no intentional spilt of works or procurements, to keep the financial limit within the campus.
- (h) VC's Nominee shall ensure that the points 'a' to 'g' above form part of the Minutes.



11. Whenever the value of Works / Purchases is between Rs.2.5 lakhs to Rs.20 lakhs, wherein there is no VC's Nominee, the set of instructions contained at Sub Para's 10(a) to 10(g) above, are to be followed by AR (F) / Group 'A' Officer concerned.
12. The Vice Chancellor's Nominees for each Campus for the various committees are listed in the **Annexure-3**. The Tenure of these Nominees shall be till 31.03.2020 or until further orders.
13. Further, Ministry of Finance has approved changes in GFR 2017 and communicated the same vide their Office Memorandum No.F.1/26/2018-PPD dated 02.04.2019 (**Annexure-4**). The same has to be complied with.
14. The constitutions of various Committees are also applicable for any Purchase of prescribed values mentioned in Works / Purchase / Library through GeM / CPP Portal.
15. Circulars / Orders pertaining to '*Preference to Make in India*' Policy are placed as **Annexure-5** for guidance.

This is issued with the approval of the Competent Authority.

Encl: As stated above

To:
All IMU's Campus Directors / All concerned

Copy to:
CVO, IMU


REGISTRAR

Annexure-1

(Refers to Para No.6 (a) of IMU HQ Circular No. IMU-HQ/R/71/60/1/2019-PUR, dated 22-10-2019.)

Authorisation for Creation of Primary and Secondary Users for procurement through GeM:

The following Officers are nominated and given role/responsibilities of Primary User and Secondary User for procurement through GeM:

Sl. No.	Role	Designation	Functions
01	PRIMARY USER		
	Administrator	Registrar (at IMU HQ level) / Campus Director (at IMU Campus level)	To Create, Edit and Deactivate various role assigned to subordinate officer as Secondary User
02	SECONDARY USERS		
	i) Buyers ii) Consignee	Store/ Purchase Officer(s) A Regular Employee(s) of the IMU, nominated by the <i>Registrar</i> (at IMU HQ level) / Store/ Purchase Officer(s) A Regular Employee(s) of the IMU, nominated by the <i>Director</i> (at IMU Campus level)	Placement of Supply order through exercising various tools available on GeM portal viz. Direct Purchase/Bidding/Reverse Auction. Receipt of Equipment's. Creation of Provisional Receipt Certificate (PRC) & Consignee's Receipt & Acceptance Certificate (CRAC).
	iii) DDO iv) PAO	Accounts Officer(s) A Regular Employee(s) of the IMU, nominated by the <i>Finance Officer</i> (at IMU HQ level) / Accounts Officer(s) A Regular Employee(s) of the IMU, nominated by the <i>Director</i> (at IMU Campus level)	Processing of the bills and making payment via Public Financial Management System (PFMS), SBI internet banking or other/offline modes of payment. DDO role in GeM is restricted to the central government users using payment through PFMS. For users Other than PFMS, Paying Authority / PAO role is to make payment for the bill processed by Buyer through online banking OR other methods.

GeM Purchase Options:

SI No.	Modes of Purchase	Threshold value	To whom delegated with approval of the Competent Authority
i.	Direct online Purchase	Up to Rs.25,000/-	IMU Buyer
ii.	Direct online Purchase [using e-Bidding & Reverse auction (RA) tool]	Above Rs.25,000/- and upto Rs.2,50,000/-	Local Purchase Committee (LPC)^
iii.	Direct online Purchase [using e-Bidding & Reverse auction (RA) tool]	Above Rs.2,50,000/-	Purchase Committee (PC)

Rule 149 of GFR 2017 provides for the mandatory procurement of common use of Goods and Services by Indian Maritime University (IMU) for Goods or Services available on GeM. Hence, only in case of Goods and Services (of required specifications or within required delivery period etc.) are not available on GeM, the procuring entity can resort to Rule 154 and 155 of GFR i.e. Off-line Purchase (procurement without quotations [Rule 154] or procurement on the recommendations of duly constituted Local Purchase Committee (LPC) [Rule 155]). Local Purchase Committee (LPC) [For Value Upto Rs.2.5 lakhs] (Rule 155 of Ministry of Finance, Department of Expenditure, Procurement Policy Division, Govt. of India's OM. No.F.1/26/2018-PPD dated 02.04.2019) shall be constituted by the Director of the IMU Campus concerned. Whereas in the case of IMU HQ, Local Purchase Committee shall be constituted by the VC.

(Refers to Para No.6 (c) of IMU HQ Circular No. IMU-HQ/R/71/60/1/2019-PUR, dated 22-10-2019.)

Creation of User Accounts for Officials of the IMU on CPP Portal:-

The following Officers are nominated as Nodal Officer / sub-Nodal Officer(s) and the various roles viz. Procurement Officer Admin (Tender Creator), Procurement Officer Publisher, Procurement Officer Opener & Procurement Officer Evaluator to use the e-Procurement module of NIC:

Sl. No.	CPP Module	Role	Designation	Functions
01	e-Publishing module / e-Procurement module	Nodal Officer	Registrar	Nodal officer in e-Publishing / e-Procurement module who would manage User Accounts of IMU HQ / Campuses.
02	e-Publishing module^	Procurement Officer- Admin Tender Creator	A regular Employee of IMU, nominated by the <i>Registrar</i> (at IMU HQ level) / <i>Director</i> (at IMU Campus level)	Responsible for filling up and uploading the details of a tender enquiry / corrigenda.
		Procurement Officer Publisher	A regular Employee of IMU, nominated by the <i>Registrar</i> (at IMU HQ level) / <i>Director</i> (at IMU Campus level)	Responsible for publishing the tender enquiry / corrigenda created by the Tender Creator.
03	e-Procurement module*	Procurement Officer- Admin Tender Creator *	A regular Employee of IMU, nominated by the <i>Registrar</i> (at IMU HQ level) / <i>Director</i> (at IMU Campus level)	Responsible for filling up and uploading the details of a tender enquiry / corrigenda.
		Procurement Officer Publisher *	A regular Employee of IMU, nominated by the <i>Registrar</i> (at IMU HQ level) / <i>Director</i> (at IMU Campus level)	Responsible for publishing the tender enquiry / corrigenda created by the Tender Creator.
		Procurement Officer Opener**	Works Committee / Purchase Committee / Library Purchase	Authorised to decrypt and download the bids received from the

			Committee	bidders in response to a tender document.
		Procurement Officer Evaluator**	Works Committee / Purchase Committee / Library Purchase Committee	Authorised to upload the results of the various stages of bid evaluation/award of contract

^All authorised department users, from the IMU, can login using a login ID and password assigned to them, to operate the e-Publishing module of the CPP Portal. They do not need any Additional mode of authentication.

*All authorised department users, from the IMU, will be required to have valid Digital Signature Certificates (DSCs), in addition to their user ID and password, to be able to operate the e-Procurement Module.

**Minimum of 4 Bid Openers must be configured against each tender to avoid any issues in tender opening. It is suggested to have minimum 5 Digital Signature Certificates to start with.

Annexure-3

(Refers to Para No.12 of IMU HQ Circular No. IMU-HQ/R/71/60/1/2019-PUR, dated 22-10-2019.)

Sl No	Name of the IMU Campus	Name of the Committee	Name of the V.C nominee from IMU HQ	Name of the V.C nominee from other IMU Campus
1.	MUMBAI PORT CAMPUS	Works Committee	Shri T.K Parthasarathy, AE (Civil)	Shri Srinivas Kota, AR(F), Navi Mumbai Campus
		Purchase Committee	Shri. S. Satish, DR (A, L & S)	Shri Srinivas Kota, AR(F), Navi Mumbai Campus
		Library Purchase Committee	Shri. R. Anbu, AR (E)	Shri Devendrappa TM, Asst Lib, Navi Mumbai Campus
2.	NAVI MUMBAI CAMPUS	Works Committee	Shri. R.Manikandan, AE(Electrical)	Shri Harish Upadhaya, DR (Admin), Mumbai Port Campus
		Purchase Committee	Smt. Sini Manchala DR (P)	Shri Harish Upadhaya, DR (Admin), Mumbai Port Campus
		Library Purchase Committee	Shri. R. Anbu, AR (E)	Shri Anil Kumar Mishra, Assistant Librarian, Mumbai Port Campus
3.	CHENNAI CAMPUS	Works Committee	Shri. E. Srikanth, AR (Admin)	Smt. Sreeja K J, AR(F), Kochi Campus
		Purchase Committee	Shri. S. Satish, DR (A, L & S)	Smt. Sreeja K J, AR(F), Kochi Campus
		Library Purchase Committee	Shri. R. Anbu, AR (E)	Shri Rudra Ranjan, Asst Lib., Kochi Campus
4.	KOCHI CAMPUS:	Works Committee	Shri. R.Manikandan, AE (Electrical)	Smt. Bhuvanaeswari, DR (Admin), Chennai Campus
		Purchase Committee	Shri. S.Satish, DR (A, L & S)	Shri. D. Baladandapani, AR (F), Chennai Campus
		Library Purchase Committee	Shri K Kathirvel, DR (Academics)	Shri Chandrappa, Asst Lib, Chennai Campus
5.	KOLKATA CAMPUS	Works Committee	Shri.T.K Parthasarathy, AE (Civil)	Shri A. Ramesh Kumar, PAO-cum-Secretary, Visakhapatnam Campus
		Purchase Committee	Shri R. Saravanan, DR (F & A)	Shri A. Ramesh Kumar, PAO-cum-Secretary, Visakhapatnam Campus

		Library Purchase Committee	Shri K. Kathirvel, DR (Academics)		Smt. Padmashree, Manager (Library), Visakhapatnam Campus
6.	VISA KHAPATNAM CAMPUS	Works Committee	Shri. T. K. Parthasarathy, AE (Civil)		Shri. Amit Mahajan, DR (Admin), Kolkata Campus
		Purchase Committee	Shri. P.Thangapandian, AR (A & L)		Shri Anurag Vishwakarma, AR (F), Kolkata Campus
		Library Purchase Committee	Shri. K. Kathirvel, DR (Academics)		Shri Gulam Jilani, Asst Lib, Kolkata Campus

IMU-HQ: With regard to IMU-HQ, the Competent Authority shall constitute the Committee as and when required.

REGISTRAR

(Refers to Para No.13 of IMU HQ Circular No. IMU-HQ/R/71/60/1/2019-PUR, dated 22-10-2019.)

No.F.1/26/2018-PPD
Government of India
Ministry of Finance
Department of Expenditure
Procurement Policy Division

Room.No.512, Lok Nayak Bhawan,
New Delhi dated the 2nd April, 2019.

OFFICE MEMORANDUM

Subject: Replacement of name of erstwhile DGS&D (Directorate General of Supplies & Disposals) by GeM (Government e-Marketplace) in General Financial Rules (GFRs) 2017 - reg.

The undersigned is directed to refer Supply Division, Department of Commerce (DoC) OM No. 1(1)/2018-Pol. Dated 20.08.2018 proposing changes in GFRs, 2017 and to say that the proposal of DoC has been examined and it has been decided with the approval of Finance Minister to make changes to the GFRs, 2017 as tabulated below:

S.No.	Existing Provisions of GFRs, 2017	Amended Rule
1.	<p>Rule 147: Powers for procurement of goods:</p> <p>The Ministries or Departments have been delegated full powers to make their own arrangements for procurement of goods. In case, however, a Ministry or Department does not have the required expertise, it may project its indent to the Central Purchase Organisation (e.g. DGS&D) with the approval of competent authority. The indent form to be utilized for this purpose will be as per the standard form evolved by the Central Purchase Organisation.</p>	<p>Rule 147: Powers for procurement of goods:</p> <p>The Ministries or Departments have been delegated full powers to make their own arrangements for procurement of goods and services, that are not available on GeM. Common use Goods and Services available on GeM are required to be procured mandatorily through GeM as per Rule 149.</p>
2.	<p>Rule 149 Government e-Marketplace (GeM):</p> <p>DGS&D or any other agency authorized by the Government will host an online Government e-Marketplace (GeM) for common use Goods and Services. DGS&D will ensure adequate publicity including periodic</p>	<p>Rule 149 Government e-Marketplace (GeM):</p> <p>Government of India has established the Government e-Marketplace (GeM) for common use Goods and Services. GeM SPV will ensure adequate publicity including periodic advertisement of the items to</p>

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S.No.	Existing Provisions of GFRs, 2017	Amended Rule
	<p>advertisement of the items to be procured through GeM for the prospective suppliers. The Procurement of Goods and Services by Ministries or Departments will be mandatory for Goods or Services available on GeM. The credentials of suppliers on GeM shall be certified by DGS&D. The procuring authorities will certify the reasonability of rates. The GeM portal shall be utilized by the Government buyers for direct on-line purchases as under:</p> <p>(i) Up to Rs.50,000/- through any of the available suppliers on the GeM, meeting the requisite quality, specification and delivery period.</p> <p>(ii) Above Rs.50,000/- and up to Rs.30,00,000/- through the GeM Seller having lowest price amongst the available sellers, of at least three different manufacturers, on GeM, meeting the requisite quality, specification and delivery period. The tools for online bidding and online reverse auction available on GeM can be used by the Buyer if decided by the competent authority.</p> <p>(iii) Above Rs.30,00,000/- through the supplier having lowest price meeting the requisite quality, specification and delivery period after mandatorily obtaining bids, using online bidding or reverse auction tool provided on GeM.</p>	<p>be procured through GeM for the prospective suppliers. The Procurement of Goods and Services by Ministries or Departments will be mandatory for Goods or Services available on GeM. <i>The credentials of suppliers on GeM shall be certified by GeM SPV. The procuring authorities will certify the reasonability of rates.</i> The GeM portal shall be utilized by the Government buyers for direct on-line purchases as under:</p> <p>(i) Up to Rs.25,000 through any of the available suppliers on the GeM, meeting the requisite quality, specification and delivery period.</p> <p>(ii) Above Rs.25,000 and up to Rs.5,00,000 through the GeM Seller having lowest price amongst the available sellers (excluding Automobiles where current limit of 30 lakh will continue), of at least three different manufacturers, on GeM, meeting the requisite quality, specification and delivery period. The tools for online bidding and online reverse auction available on GeM can be used by the Buyers even for procurements less than Rs 5,00,000.</p> <p>(iii) Above Rs.5,00,000 through the supplier having lowest price meeting the requisite quality, specification and delivery period after mandatorily obtaining bids, using online bidding or reverse auction tool provided on GeM (excluding Automobiles where current limit of 30 lakh will continue).</p> <p>Note: There is no change in clauses (iv) to (viii).</p>

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S.No.	Existing Provisions of GFRs, 2017	Amended Rule
3.	<p>Rule 150: Registration of Suppliers:</p> <p>(i) With a view to establishing reliable sources for procurement of goods commonly required for Government use, the Central Purchase Organisation (e.g. DGS&D) will prepare and maintain item-wise lists of eligible and capable suppliers. Such approved suppliers will be known as "Registered Suppliers". All Ministries or Departments may utilise these lists as and when necessary. Such registered suppliers are prima facie eligible for consideration for procurement of goods through Limited Tender Enquiry. They are also ordinarily exempted from furnishing bid security along with their bids. A Head of Department may also register suppliers of goods which are specifically required by that Department or Office, periodically. Registration of the supplier should be done following a fair, transparent and reasonable procedure and after giving due publicity.</p> <p>(v) The list of registered suppliers for the subject matter of procurement be exhibited on the Central Public Procurement Portal and websites of the Procuring Entity/ e-Procurement/ portals.</p>	<p>Rule 150: Registration of Suppliers:</p> <p>(i) <i>For goods and services not available on GeM</i>, Head of Ministry/ Department may also register suppliers of goods and services which are specifically required by that Department or Office, periodically. Registration of the supplier should be done following a fair, transparent and reasonable procedure and after giving due publicity. Such registered suppliers should be boarded on GeM as and when the item or service gets listed on GeM.</p> <p>(v) The list of registered suppliers for the subject matter of procurement be exhibited on websites of the Procuring Entity/ e-Procurement portals.</p> <p>Note: There is no change in clauses (ii) to (iv).</p>
4.	<p>Rule 155: Purchase of goods by Purchase Committee:</p> <p>Purchase of goods costing above Rs. 25,000 (Rupees twenty five thousand only) and upto Rs.2,50,000/- (Rupees two lakh and fifty thousand only) on each occasion may be made on the recommendations of a duly constituted Local Purchase Committee consisting</p>	<p>Rule 155: Purchase of goods by Purchase Committee:</p> <p><i>In case a certain item is not available on the GeM portal</i>, Purchase of goods costing above Rs. 25,000 (Rupees twenty five thousand only) and upto Rs.2,50,000 (Rupees two lakh and fifty thousand only) on each occasion may be made on the recommendations of a</p>

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S.No.	Existing Provisions of GFRs, 2017	Amended Rule
	<p>of three members of an appropriate level as decided by the Head of the Department. The committee will survey the market to ascertain the reasonableness of rate, quality and specifications and identify the appropriate supplier. Before recommending placement of the purchase order, the members of the committee will jointly record a certificate as under:</p> <p>"Certified that we, members of the purchase committee are jointly and individually satisfied that the goods recommended for purchase are of the requisite specification and quality, priced at the prevailing market rate and the supplier recommended is reliable and competent to supply the goods in question, and it is not debarred by Department of Commerce or Ministry/ Department concerned."</p>	<p>duly constituted Local Purchase Committee consisting of three members of an appropriate level as decided by the Head of the Department. The committee will survey the market to ascertain the reasonableness of rate, quality and specifications and identify the appropriate supplier. Before recommending placement of the purchase order, the members of the committee will jointly record a certificate as under:</p> <p>"Certified that we, members of the purchase committee are jointly and individually satisfied that the goods recommended for purchase are of the requisite specification and quality, priced at the prevailing market rate and the supplier recommended is reliable and competent to supply the goods in question, and it is not debarred by Department of Commerce or Ministry/ Department concerned."</p>
5.	<p>Rule 225 (xiii): Copies of all contracts and agreements for purchases of the value of Rupees Twenty-five Lakhs and above, and of all rate and running contracts entered into by civil departments of the Government other than the departments like the Directorate General of Supplies and Disposals for which a special audit procedure exists, should be sent to the Audit Officer and /or the Accounts officer as the case may be.</p>	<p>Rule 225 (xiii) Copies of all contracts and agreements for purchases of the value of Rupees Twenty-five Lakhs and above entered into by civil departments of the Government, should be sent to the Audit Officer and or the Accounts officer as the case may be.</p>

2. It has been also decided to delete Rules 148,156,159(iv),160(iii),173(xv) and 174(iv) of GFRs, 2017 related to rate contracts.

3. This OM is also available on our website www.doe.gov.in -> Notification -> Circular --> Procurement Policy OM.

K. S. Singh

4. Hindi version of this OM will follow.

K. Narayana Reddy 2/4/2019
(K Narayana Reddy)
Under Secretary to the Govt. of India
Telfax:-24621305
Email:-kn.reddy@nic.in

To

- (i) Secretaries to All Central Government Ministries/ Departments
(ii) Financial Advisors of All Central Government Ministries/ Departments

Annexure-5

(Refers to Para No.15 of IMU HQ Circular No. IMU-HQ/R/71/60/1/2019-PUR, dated 22-10-2019.)

No. P-45021/2/2017-PP (BE-II)
Government of India
Ministry of Commerce and Industry
Department for Promotion of Industry and Internal Trade
(Public Procurement Section)

Udyog Bhawan, New Delhi
Dated: 29th May, 2019

To

All Central Ministries/Departments/CPSUs/All concerned

ORDER

Subject: Public Procurement (Preference to Make in India), Order 2017 – Revision; regarding.

Department for Promotion of Industry and Internal Trade, in partial modification [Paras 3(a) and 14 modified and Para 10A added] of Order No.P-45021/2/2017-B.E.-II dated 15.6.2017 as amended by Order No.P-45021/2/2017-B.E.-II dated 28.05.2018, hereby issues the revised 'Public Procurement (Preference to Make in India), Order 2017' with immediate effect:-

Whereas it is the policy of the Government of India to encourage 'Make in India' and promote manufacturing and production of goods and services in India with a view to enhancing income and employment, and

Whereas procurement by the Government is substantial in amount and can contribute towards this policy objective, and

Whereas local content can be increased through partnerships, cooperation with local companies, establishing production units in India or Joint Ventures (JV) with Indian suppliers, increasing the participation of local employees in services and training them,

Now therefore the following Order is issued :

1. This Order is issued pursuant to Rule 153 (iii) of the General Financial Rules 2017.
2. **Definitions:** For the purposes of this Order:

'Local content' means the amount of value added in India which shall, unless otherwise prescribed by the Nodal Ministry, be the total value of the item procured (excluding net domestic indirect taxes) minus the value of imported content in the item (including all customs duties) as a proportion of the total value, in percent.

'Local supplier' means a supplier or service provider whose product or service offered for procurement meets the minimum local content as prescribed under this Order or by the competent Ministries / Departments in pursuance of this order.

'L1' means the lowest tender or lowest bid or the lowest quotation received in a tender, bidding process or other procurement solicitation as adjudged in the evaluation process as per the tender or other procurement solicitation.

'margin of purchase preference' means the maximum extent to which the price quoted by a local supplier may be above the L1 for the purpose of purchase preference.

'Nodal Ministry' means the Ministry or Department identified pursuant to this order in respect of a particular item of goods or services or works.

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'Procuring entity' means a Ministry or department or attached or subordinate office of, or autonomous body controlled by, the Government of India and includes Government companies as defined in the Companies Act.

'Works' means all works as per Rule 130 of GFR- 2017, and will also include 'turnkey works'.

3. **Requirement of Purchase Preference** : Subject to the provisions of this Order and to any specific instructions issued by the Nodal Ministry or in pursuance of this Order, purchase preference shall be given to local suppliers in all procurements undertaken by procuring entities in the manner specified hereunder

- a. In procurement of all goods, services or works in respect of which the estimated value of procurement is less than INR 50 Lakhs, only local suppliers shall be eligible to bid. However, in procurement of all goods, services or works, in respect of which the Nodal Ministry / Department has communicated that there is sufficient local capacity and local competition, only local suppliers shall be eligible to bid irrespective of purchase value.

Provided that for any particular item, the Nodal Ministry / Department may also prescribe an upper threshold limit, below which procurement shall be made only from local suppliers.

Further provided that in any particular case of procurement, if the procuring authority is of the view that the goods, services or works of required quality / specifications etc. may not be available in the country, or sufficient capacity or competition does not exist domestically, and it is necessary to undertake global competitive bidding, the procuring authority may allow the same after recording reasons. In such cases, the provisions of sub-paragraph b or c, as the case may be, shall apply;

- b. In the procurements of goods or works which are not covered by paragraph 3a and which are divisible in nature, the following procedure shall be followed;
- i. Among all qualified bids, the lowest bid will be termed as L1. If L1 is from a local supplier, the contract for full quantity will be awarded to L1.
 - ii. If L1 bid is not from a local supplier, 50% of the order quantity shall be awarded to L1. Thereafter, the lowest bidder among the local suppliers, will be invited to match the L1 price for the remaining 50% quantity subject to the local supplier's quoted price falling within the margin of purchase preference, and contract for that quantity shall be awarded to such local supplier subject to matching the L1 price. In case such lowest eligible local supplier fails to match the L1 price or accepts less than the offered quantity, the next higher local supplier within the margin of purchase preference shall be invited to match the L1 price for remaining quantity and so on, and contract shall be awarded accordingly. In case some quantity is still left uncovered on local suppliers, then such balance quantity may also be ordered on the L1 bidder.
- c. In procurements of goods or works not covered by sub-paragraph 3a and which are not divisible, and in procurement of services where the bid is evaluated on price alone, the following procedure shall be followed:-
- i. Among all qualified bids, the lowest bid will be termed as L1. If L1 is from a local supplier, the contract will be awarded to L1.

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- ii. If L1 is not from a local supplier, the lowest bidder among the local suppliers, will be invited to match the L1 price subject to local supplier's quoted price falling within the margin of purchase preference, and the contract shall be awarded to such local supplier subject to matching the L1 price.
 - iii. In case such lowest eligible local supplier fails to match the L1 price, the local supplier with the next higher bid within the margin of purchase preference shall be invited to match the L1 price and so on and contract shall be awarded accordingly. In case none of the local suppliers within the margin of purchase preference matches the L1 price, then the contract may be awarded to the L1 bidder.
4. **Exemption of small purchases:** Notwithstanding anything contained in paragraph 3, procurements where the estimated value to be procured is less than Rs. 5 lakhs shall be exempt from this Order. However, it shall be ensured by procuring entities that procurement is not split for the purpose of avoiding the provisions of this Order.
5. **Minimum local content:** The minimum local content shall ordinarily be 50%. The Nodal Ministry may prescribe a higher or lower percentage in respect of any particular item and may also prescribe the manner of calculation of local content.
6. **Margin of Purchase Preference:** The margin of purchase preference shall be 20%.
7. **Requirement for specification in advance:** The minimum local content, the margin of purchase preference and the procedure for preference to Make in India shall be specified in the notice inviting tenders or other form of procurement solicitation and shall not be varied during a particular procurement transaction.
8. **Government E-marketplace:** In respect of procurement through the Government E-marketplace (GeM) shall, as far as possible, specifically mark the items which meet the minimum local content while registering the item for display, and shall, wherever feasible, make provision for automated comparison with purchase preference and without purchase preference and for obtaining consent of the local supplier in those cases where purchase preference is to be exercised.
9. **Verification of local content:**
 - a. The local supplier at the time of tender, bidding or solicitation shall be required to provide self-certification that the item offered meets the minimum local content and shall give details of the location(s) at which the local value addition is made.
 - b. In cases of procurement for a value in excess of Rs. 10 crores, the local supplier shall be required to provide a certificate from the statutory auditor or cost auditor of the company (in the case of companies) or from a practicing cost accountant or practicing chartered accountant (in respect of suppliers other than companies) giving the percentage of local content.
 - c. Decisions on complaints relating to implementation of this Order shall be taken by the competent authority which is empowered to look into procurement-related complaints relating to the procuring entity.
 - d. Nodal Ministries may constitute committees with internal and external experts for independent verification of self-declarations and auditor's/ accountant's certificates on random basis and in the case of complaints.

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- e. Nodal Ministries and procuring entities may prescribe fees for such complaints.
- f. False declarations will be in breach of the Code of Integrity under Rule 175(1)(i)(h) of the General Financial Rules for which a bidder or its successors can be debarred for up to two years as per Rule 151 (iii) of the General Financial Rules along with such other actions as may be permissible under law.
- g. A supplier who has been debarred by any procuring entity for violation of this Order shall not be eligible for preference under this Order for procurement by any other procuring entity for the duration of the debarment. The debarment for such other procuring entities shall take effect prospectively from the date on which it comes to the notice of other procurement entities, in the manner prescribed under paragraph 9h below.
- h. The Department of Expenditure shall issue suitable instructions for the effective and smooth operation of this process, so that:
 - i. The fact and duration of debarment for violation of this Order by any procuring entity are promptly brought to the notice of the Member-Convenor of the Standing Committee and the Department of Expenditure through the concerned Ministry /Department or in some other manner;
 - ii. on a periodical basis such cases are consolidated and a centralized list or decentralized lists of such suppliers with the period of debarment is maintained and displayed on website(s);
 - iii. in respect of procuring entities other than the one which has carried out the debarment, the debarment takes effect prospectively from the date of uploading on the website(s) in the such a manner that ongoing procurements are not disrupted.

10. Specifications in Tenders and other procurement solicitations:

- a. Every procuring entity shall ensure that the eligibility conditions in respect of previous experience fixed in any tender or solicitation do not require proof of supply in other countries or proof of exports.
- b. Procuring entities shall endeavour to see that eligibility conditions, including on matters like turnover, production capability and financial strength do not result in unreasonable exclusion of local suppliers who would otherwise be eligible, beyond what is essential for ensuring quality or creditworthiness of the supplier.
- c. Procuring entities shall, within 2 months of the issue of this Order review all existing eligibility norms and conditions with reference to sub-paragraphs 'a' and 'b' above.
- d. If a Nodal Ministry is satisfied that Indian suppliers of an item are not allowed to participate and/ or compete in procurement by any foreign government, it may, if it deems appropriate, restrict or exclude bidders from that country from eligibility for procurement of that item and/ or other items relating to that Nodal Ministry. A copy of every instruction or decision taken in this regard shall be sent to the Chairman of the Standing Committee.

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- e. For the purpose of sub-paragraph 10 d above, a supplier or bidder shall be considered to be from a country if (i) the entity is incorporated in that country, or ii) a majority of its shareholding or effective control of the entity is exercised from that country; or (iii) more than 50% of the value of the item being supplied has been added in that country. Indian suppliers shall mean those entities which meet any of these tests with respect to India."

- 10A. Action for non-compliance of the Provisions of the Order:** In case restrictive or discriminatory conditions against domestic suppliers are included in bid documents, an inquiry shall be conducted by the Administrative Department undertaking the procurement (including procurement by any entity under its administrative control) to fix responsibility for the same. Thereafter, appropriate action, administrative or otherwise, shall be taken against erring officials of procurement entities under relevant provisions. Intimation on all such actions shall be sent to the Standing Committee.
- 11. Assessment of supply base by Nodal Ministries:** The Nodal Ministry shall keep in view the domestic manufacturing / supply base and assess the available capacity and the extent of local competition while identifying items and prescribing minimum local content or the manner of its calculation, with a view to avoiding cost increase from the operation of this Order.
- 12. Increase in minimum local content:** The Nodal Ministry may annually review the local content requirements with a view to increasing them, subject to availability of sufficient local competition with adequate quality.
- 13. Manufacture under license/ technology collaboration agreements with phased indigenization:** While notifying the minimum local content, Nodal Ministries may make special provisions for exempting suppliers from meeting the stipulated local content if the product is being manufactured in India under a license from a foreign manufacturer who holds intellectual property rights and where there is a technology collaboration agreement / transfer of technology agreement for indigenous manufacture of a product developed abroad with clear phasing of increase in local content.
- 14. Powers to grant exemption and to reduce minimum local content:** The administrative Department undertaking the procurement (including procurement by any entity under its administrative control), with the approval of their Minister-in-charge, may by written order, for reasons to be recorded in writing,
- reduce the minimum local content below the prescribed level; or
 - reduce the margin of purchase preference below 20%; or
 - exempt any particular item or supplying entities or class or classes of items or procuring or supplying entities from the operation of this Order or any part of the Order.

A copy of every such order shall be provided to the Standing Committee and concerned Nodal Ministry / Department. The Nodal Ministry / Department concerned will continue to have the power to vary its notification on Minimum Local Content.

- 15. Directions to Government companies:** In respect of Government companies and other procuring entities not governed by the General Financial Rules, the administrative Ministry or Department shall issue policy directions requiring compliance with this Order.

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16. **Standing Committee:** A standing committee is hereby constituted with the following membership:

Secretary, Department for Promotion of Industry and Internal Trade—Chairman
Secretary, Commerce—Member
Secretary, Ministry of Electronics and Information Technology—Member
Joint Secretary (Public Procurement), Department of Expenditure—Member
Joint Secretary (DPIIT)—Member-Convenor

The Secretary of the Department concerned with a particular item shall be a member in respect of issues relating to such item. The Chairman of the Committee may co-opt technical experts as relevant to any issue or class of issues under its consideration.


17. **Functions of the Standing Committee:** The Standing Committee shall meet as often as necessary, but not less than once in six months. The Committee

- a. shall oversee the implementation of this order and issues arising therefrom, and make recommendations to Nodal Ministries and procuring entities.
- b. shall annually assess and periodically monitor compliance with this Order
- c. shall identify Nodal Ministries and the allocation of items among them for issue of notifications on minimum local content
- d. may require furnishing of details or returns regarding compliance with this Order and related matters
- e. may, during the annual review or otherwise, assess issues, if any, where it is felt that the manner of implementation of the order results in any restrictive practices, cartelization or increase in public expenditure and suggest remedial measures
- f. may examine cases covered by paragraph 13 above relating to manufacture under license/ technology transfer agreements with a view to satisfying itself that adequate mechanisms exist for enforcement of such agreements and for attaining the underlying objective of progressive indigenization
- g. may consider any other issue relating to this Order which may arise.

18. **Removal of difficulties:** Ministries /Departments and the Boards of Directors of Government companies may issue such clarifications and instructions as may be necessary for the removal of any difficulties arising in the implementation of this Order.

19. **Ministries having existing policies:** Where any Ministry or Department has its own policy for preference to local content approved by the Cabinet after 1st January 2015, such policies will prevail over the provisions of this Order. All other existing orders on preference to local content shall be reviewed by the Nodal Ministries and revised as needed to conform to this Order, within two months of the issue of this Order.

20. **Transitional provision:** This Order shall not apply to any tender or procurement for which notice inviting tender or other form of procurement solicitation has been issued before the issue of this Order.


(Arun Mahendru Baira)
Senior Development Officer
Tel: 2306 2635