



FINANCE [Salaries] DEPARTMENT

G.O.Ms.No.207, Dated 4th July 2017
(Heyvilambi, Aani-20, Thiruvalluvar Aandu 2048)

ABSTRACT

Public Procurement – Optional procurement of goods and services through Government e-Marketplace (GeM), Government of India – Orders – Issued..

Read the following:-

1. From the Director General of Supplies & Disposals, Government of India, New Delhi D.O.No.3584/GeM/ DGS&D/2016, dated 7-10-2016.
2. From the Finance Secretary, Ministry of Finance, Government of India D.O.Lr.No.F-26/4/2016-PPD, dated 10-11-2016.

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ORDER:

The purchase of stores by all Government Departments, Statutory Boards, Corporations, Local Bodies, etc. in the State of Tamil Nadu is governed by Article 125, Tamil Nadu Financial Code, Volume-I. Consequent on enactment of Tamil Nadu Transparency in Tenders Act, 1998, the rules and instructions prescribed under Article 125, Tamil Nadu Financial Code, Volume-I are restricted to low value procurement of goods and services. (The present threshold limit for low value procurement is Rs.10 lakh).

2. In Article 125, Tamil Nadu Financial Code, Volume-I, it is also provided for procurement of stores by above said public entities, from any firm with which the Director-General of Supplies & Disposal (DGS&D), Government of India, already entered into a rate or running contract for supply of such stores without calling for tenders.

3. The Government of India launched online Government e-Marketplace (GeM) as one stop shop for common use goods and services, which allows a completely paperless and cashless system of procurement, thereby minimizing human interface. The GeM has been approved as National Public Procurement Portal and mandatory for all Central Government organizations.

4. The Government e-Marketplace (GeM) which has grown into a robust marketplace with 40,000 registered users more than 31,000 products and 17 services has the following salient features:-

- (i) Online procurement system including payment to suppliers;
- (ii) Completely online and automatic registration of Government buyers through Electronic Data Interchange (EDI) with Aadhaar, Biometric Attendance System (BAS) and NIC mail databases;

- (iii) Completely online and automatic registration of suppliers using self-certification and user authentication through Aadhaar, PAN, MCA 21 etc.;
- (iv) GeM relieves public offices from tedious and time consuming tendering process to cut down administrative and transaction costs;
- (v) No physical documentation and no site visit for registration etc. thereby eliminating human interface;
- (vi) No rigid specifications. Registered sellers have flexibility to offer their goods/services on GeM by providing values of different mandatory parameters as listed on the portal for the selected item category and by listing their own price;
- (vii) Extremely flexible system; possible to change product models and pricing dynamically any time;
- (viii) New sellers can enter any time by registering on GeM and offering their products;
- (ix) Prices of all sellers for all products offered are visible to all other registered users generating real-time competition amongst different sellers; The GeM has been able to bring the prices of goods and services down by about 15-20% on an average; in some cases, the prices have been reduced by even upto 50% of prices finalized through tenders and rate contract.
- (x) As all the processes are online and visible to all stakeholders in real time at every stage, GeM is a very fair and transparent system;
- (xi) By avoiding the time taken for manual tendering, GeM imparts speed to procurement through its online and time-bound processes;
- (xii) The buyers can provide projection of their annual demands in the GeM indicating required goods/services with specification & quality, quantity, consignee location and delivery period requirements etc by way of Annual Procurement Plan;
- (xiii) Common use items have been placed on the GeM portal. Buyers can select any product/service on the portal and place an online e-signed contract; the system making available a specifications & price comparison table among selected items along with a real-time price comparison for the selected brand/model with prominent e-Commerce sites;
- (xiv) Confirmation of receipt of goods/services by the consignee is online and sends a trigger for processing online payment by the paying authority;
- (xv) Online payment to the supplier can be made either through the buyer Department's bank account using Public Financial Management System (PFMS) by integrating GeM system with Government's Treasury/ payment system;

- (xvi) All e-signed documents are available on the system for viewing by the Paying Authority;
- (xvii) The system keeps record of the entire purchase process on GeM and preserves the data for audit, if required;
- (xviii) There will be alerts through emails and SMS for all transactions in GeM;
- (xix) Standardized specifications with complete audit trail and demand aggregation to make prices very competitive;
- (xx) DGS&D is conducting training of Government buyers as well as sellers on GeM; and
- (xxi) A Call Centre/helpdesk has been set up to conduct transactions on GeM.

5. The Director General of Supplies and Disposals in his D.O.letter first read above, while detailing the launching of GeM, has requested to issue instructions to all public entities for using the service of GeM for their requirements of common use goods and services. The Finance Secretary, Government of India in his D.O.letter second read above, while stating that GeM is available to all Government users including State Governments, requested to consider using GeM for purchases by State Government offices.

6. The Government after careful consideration, decided to adopt the online Government e-Marketplace (GeM) of Government of India along with its terms and conditions as specified by the DGS&D from time to time, as an optional mode for procurement of goods and services by procuring entities of Tamil Nadu such as Government Departments, Public Sector Undertakings of the Government, Statutory Boards formed by the Government, Local Bodies in the State, Co-operative Institutions in the State, Universities formed by the Government and Societies formed by the Government subject to certain restrictions and issue following orders that

- (a) the GeM portal may be utilized for direct on-line purchases upto Rs.5,000/- through any of the available suppliers on the GeM, meeting the requisite quality, specifications and delivery period;
- (b) the GeM portal may be utilized for direct on-line purchases for low value procurements above Rs.5000/- through supplier having lowest price, meeting the requisite quality, specification and delivery period after mandatorily obtaining bids using online bidding process provided on GeM; and
- (c) the payment to the suppliers/ service providers shall be made on-line. To facilitate on-line payment, the GeM system will be integrated with the State Treasury / payment system. Till such integration is completed and a Public Financial Management System (PFMS) like system is simulated, the existing off-line payment system of Electronic Clearance System (ECS) shall be followed.

7. The documents on General Terms and Conditions of Sale/ Purchase in GeM, General Terms and Conditions for Registration of Buyers on GeM and Special Terms and Conditions for e-bidding on GeM are available in the GeM portal at <https://gem.gov.in>.

8. The procurement authorities in Government departments and other Public Procurement Entities shall acquaint with terms and conditions mentioned above so as to avail the services of GeM.

9. Training on procurement through GeM will be organized for public procurement entities in association with Director General of Supplies & Disposals, Government of India.

10. Necessary amendment to Tamil Nadu Financial Code Volume-I will be issued separately.

(BY ORDER OF THE GOVERNOR)

K.SHANMUGAM
ADDITIONAL CHIEF SECRETARY TO GOVERNMENT

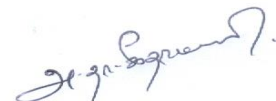
To

All Secretaries to Government.
The Secretary, Legislative Assembly, Secretariat, Chennai-9.
The Comptroller, Governor's Household, Raj Bhavan, Chennai-32.
The Governor's Secretariat, Raj Bhavan, Guindy, Chennai-32.
All Heads of Department.
All Collectors / All District Judges /All Chief Judicial Magistrates.
All Departments of Secretariat.
The Principal Accountant General(A&E), Chennai-18
The Accountant General (Audit-1), Chennai-35.
The Accountant General (Audit-II), Chennai-6.
The Accountant General (CAB), Chennai-9.
The Principal Secretary / Commissioner of Treasuries and Accounts, Chennai-15.
All Pay and Accounts Officers/All Treasury Officers.
The Chairman, Tamil Nadu Public Service Commission, Chennai-3.
The Registrar, High Court, Chennai-600 104.
The Registrars of all Universities.
All State Owned Corporations and Statutory Boards.
The Commissioner, Corporations of Chennai /Madurai /Coimbatore / Tiruchirappalli/
Salem / Tirunelveli/Erode/Tiruppur/Vellore/Thoothukudi.

Copy to:

The Finance Secretary, Government of India, Ministry of Finance, Department of Expenditure, New Delhi-110 011.
The Commerce Secretary, Government of India, Ministry of Commerce and Industry, New Delhi-110 011.
The Director General, Directorate General of Supplies and Disposals, Ministry of Commerce and Industry, Government of India, New Delhi-110 001.
The Director, Directorate General of Supplies & Disposals, Shastri Bhavan, 4th Floor, No.26, Haddows Road, Nungambakkam, Chennai- 600 006.
The Senior Principal Private Secretary to the Additional Chief Secretary to Government, Finance Department, Chennai-9.
All Officers / All Sections in Finance Department, Chennai-9.
Stock File / Spare Copies.

-/ Forwarded : By Order /-



SECTION OFFICER