

No.1-6/2011-IFD
Government of India
Ministry of Environment & Forests
IF Division

New Delhi, dated the 15th June, 2011

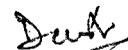
CIRCULAR

Sub: National E-Governance Plan (NeGP) – Implementation of e-Procurement in Ministries/Departments – regarding.

A copy of the O.M. No.13(4)/2008-Pol., dated 16th May, 2011 received from Ministry of Commerce & Industry (Department of Commerce) on the above subject is forwarded herewith for information and necessary action.

Encl: As above.

Yours faithfully,



(D.P. Singh)

Under Secretary (IFD)

To

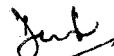
All Divisional Heads/Divisions/Sections/Units in the Ministry including NAEB and NRCD.

Copy to:

1. Sr. PPS to Secretary (E&F)
2. PS to AS & FA
3. CA/Director (FF)/US (IFD)/US (FF)/SO (IFD)

Copy also to:

1. US (IFD), NRCD
2. US (IFD), NAEB



(D.P. Singh)

Under Secretary (IFD)

Sl. No. 1 (R)

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1-6/2011 (FD)

No. 13(4)/2008-Pol
Government of India
Ministry of Commerce and Industry
Department of Commerce
Supply Division

C-Wing, Nirman Bhawan,
New Delhi - 110001

Dated, the 16th May, 2011

OFFICE MEMORANDUM

Subject : National E-Governance Plan (NeGP) - Implementation of e-Procurement in Ministries/Departments - regarding.

The undersigned is directed to refer to Department of Expenditure's O.M. No. 8(5)/E-II(A)/2006 dated 10.01.2007(copy enclosed) on the subject noted above vide which the directions/guidelines of the Apex Committee on various Mission Mode Projects (MMPs) of e-Governance were communicated to all the Ministries/Department.

2. Government of India under its National e-Governance Plan has identified e-Procurement to be implemented as a Mission Mode Project (MMP). Department of Commerce (DoC) has been tasked with this responsibility.

3. In the last meeting of the Apex Committee held on 08.02.2011, it was decided that e-Procurement needs to be pushed in a major way by the Department of Commerce in all the Central and State Government Departments and Public Sector Undertakings with the objective to achieve concrete results within the next 12 months.

4. Government of India has been envisaging early and fast adoption of a standardized e-Procurement System in all government departments due to the perceived gains of transparency in procurement process, cost efficiency and related benefits of a computerized system. This is planned to be achieved through the centrally financed Mission Mode Project (MMP) on e-Procurement by the Ministry of Commerce and Industry, Department of Commerce. The Project Proposal for the same has now been approved by the Standing Finance Committee. The project is to be implemented using the e-procurement system developed by National Informatics Centre (NIC).

5. The application software solution for e-Procurement being made available under the MMP is generic software developed and maintained by NIC called 'GePNIC'. The functionalities covered in the system inter-alia include : Tender creation and publishing of corrigendum, publishing of Pre bid meeting decisions, Online Bid submission, Online Tender opening, Offline Technical Evaluation of Financial Bids with generation of comparative charts, Uploading of the committee recommendations or

Office of Dir. (IFD)
Entry No. 550
Date 13.6.2011

Advt. Socy. & Fin. Advis.
Dy. No. 104
Date. 10.6.11

PI circulate to all Divs. Heads for necessary action. 10.6.11
infrastructure and security
Int. Cont. (IFD)
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Dy. (FF)
To train respective Divs.

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evaluation summaries at each stage of the tender process, Publication of Award of Contract Information, etc.

Important security provisions and features include: Role based User-access with two factor Authentication, All bid documents digitally signed and bids are encrypted till opening, Secure storage of Data, Automatic Mail alerts at various events, etc.

The Software adheres to IT Act 2000 requirements and meets the guidelines of CVC. The software has been security audited and certified by multiple independent agencies and is also vetted by World Bank and ADB. More than 88,000 tenders have been hosted using this system in the last three years.

Sh. A Mohan, DDG, NIC has been nominated as nodal officer in NIC for implementation of e-Procurement Solution GePNIC.

6. All the Ministries/Department are, therefore, requested to approach Sh. A Mohan, DDG, NIC for customization of GePNIC according to the needs of the Ministry/Department concerned and its PSUs for its e-Procurement activities under intimation to this Department.

Kalpana Narain
(Kalpana Narain)
Director(Supply)
Tel: 23062926

To

All Secretaries of the Ministries/Departments in the Government of India.

All Financial Advisers of the Ministries/Departments in the Government of India.

Dr. B. K. Gaisola, Director General, National Informatic Centre,
A Block, CGO Complex, Lodhi Road, New Delhi-110005.

Subject: Introduction of Mandatory e-procurement.

1. Reference is invited to this Department's OM no. 8(5)E.II(A)/2006 dated July 05, 2006 conveying the directions on the above subject of the Apex Committee chaired by the Cabinet Secretary on various Mission Mode Projects (MMPs) of e-governance.
2. On the basis of the responses received from the Ministries, this matter has been further reviewed and the following is brought to the notice of all concerned for information and necessary action.
3. There is a need to develop an advanced government wide IT enabled system, after re-engineering existing business processes where necessary, covering all aspects of government procurement, which may include the following:
 - i. Development of an e-Government Procurement (e-GP) portal providing links to various stakeholders in the e-GP for services such as registration of vendors, accessing details of procurement made, tenders awarded, tenders advertised etc.
 - ii. Development of an IT enabled "exchange" linking the various Government agencies in need of procurement of goods and services on the one hand and the vendors/service providers and the e-procurement service providers on the other, akin to the Stock Exchange- linking companies, investors and market intermediaries.
4. Creation of a government wide e-procurement system, as envisaged above, requires development of comprehensive e-procurement capability within each Ministry/Department. We propose to prepare a **Detailed Project Design Guideline** for the e-Procurement MMP that would set out the minimum services and service levels, implementation modalities, milestones and timelines that will need to be adhered to, by all e-procurement systems deployed at all Ministries/Departments.
5. Until the development of comprehensive e-procurement system by Ministries/Department in conformity with the detailed Project Design Guideline proposed above, it is necessary that Ministries create an environment, conducive for the adoption of a full-fledged e-procurement system. With this object in view, it is considered expedient that the Ministries/Department build on existing capabilities; and switchover to the electronic mode in a phased manner as follows:
 - i. In respect of all goods covered under the rate contract (RC) concluded by Director General (Supplies & Disposals) (DGS&D), the Ministries should commence placing orders through the website of DGS&D as soon as feasible. This practice would become **mandatory** for supply orders to be placed wef April 1, 2007. DGS&D is making all necessary arrangements for assisting the procurement officials in this regard and they would be issuing more detailed guidelines in this matter.
 - ii. In respect of other goods, as also for procurement of works and services, the Ministries/Departments may make their own arrangements for switching over to mandatory e-procurement beyond identified threshold limits wef April 1, 2007, with the following **minimum compliance norms**:
 - (a) All communication between indenting officers and potential vendors/ suppliers/service providers shall be conducted 100% electronically, **using email** and standardized formats and templates to be used uniformly within each ministry. At appropriate stage of tendering process, this communication shall be placed in the public domain with digital access.
 - (b) More specially, as minimum acceptable disclosure norms, all tender notices, tender documents/enquiries and information regarding award of contracts/acceptance of tender must be placed on the website for information of general public.

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- (c) An electronic database of all the suppliers shall be created, by requiring all the suppliers already registered with the Ministry/Department, to furnish their details online at the web-site.
- iii. The following **precautions** need to be taken:
- (a) Adequate operational procedures for ensuring system security and compliance to audit norms including provision for secure audit trail/system logs and proper authentication (digital certificate or biometrics-based) of users.
- (b) Adequate operational procedures for data back-up, recovery and archival.
- (c) Instruction and advisories issued by Department of Information technology from time to time
- iv. The common regulatory framework with decentralized procurement as provided by the General Financial Rules, 2005 has to be maintained.
- v. Besides the above minimum requirements, the Ministries/Departments are encouraged to review, appropriately modify and digitize their detailed operating procedure, concerning different stages of procurement process such as assessment of stock deficiencies, identification of suppliers with due diligence in tendering process or through rate contracts, placement of timely orders, follow up on execution of orders, dealing with deficiencies and due and timely payment to suppliers.
- vi. Payment to suppliers through electronic mode is a desirable feature of e-procurement system, which enables the management and audit authorities to take the trail from authorization to payment and ensure that the payment made, conforms to the approved bid/indent. However, this may also be developed as part of overall **Government Payment System**, as an adjunct to the e-procurement system and integrated later on.
- vii. During the transition period, when all concerned become familiar with the mechanism outlined under (ii) above, it may be necessary to allow provision for manual receipt of tenders etc. as e-procurement should not lead to exclusion of vendors not equipped to transact business through e-procurement system. However, from July 1, 2007 onwards, manual tenders may NOT be accepted at all.
- viii. Both the Director General (Supplies and Disposals) and the Director General, National Informatics Centre have volunteered to assist the Ministries/Department in e-procurement in respect of items not covered under the rate contract. Both the organizations are creating HELPDESKS and nominating nodal officers; and detailed operational guidelines from them are under issue.
- ix. Additionally, Ministries and Departments with sufficiently large procurements can develop or procure and customize their own platforms for e-procurement which should conform to the requirements spelt out in the Detailed Project Design Guideline (referred to at Para 4 above.).
6. *The Ministries/ Departments are requested to send **monthly progress reports** indicating the action taken on the above, to this Department. The first report would be due on February 5, 2007.
7. It may please be noted that the progress of this Mission Mode Project is being monitored at the highest level.

Sd/-
(Dr. S.C. Pandey)
Officer on Special Duty
(Policy & Co-ordination)
Tel: 2309 3457.

All Ministries/Departments of the Government of India.