OFFICE MEMORANDUM

Subject 1:- Government e-Marketplace (GeM) — on Boarding of Non-Public Financial Management System (PFMS) Agencies/ Entities (NPAE) on GeM Portal — Opening and Operating of GeM Pool Accounts (GPAs) by NPAE for ensuring timely payment to GeM suppliers/vendors — reg.

Subject 2:- Nodal officers from Government E-Marketplace GeM.

The undersigned is directed to forward herewith a copy of the OMs No. F.13/4/2017-PPD(Pt.) dated 14th August, 2018 and GeM/ACEO/Admin dated 17th August, 2018 from Department of Expenditure and Department of Commerce respectively on the above mentioned subjects for information and compliance.

To

1) All Divisional Heads by name (including NAEB and NRCD)
2) HoD.

Copy for information to:

1) PPS to Secretary(EF&CC)/DGF&SS
2) PPS to AS&FA/ AS(AKM)/AS(AKJ)/Sr.EA/Addl.D.G.(FC/WL/PT)/CCA.
No.F.13/4/2017-PPD(Pt.)
Government of India
Ministry of Finance
Department of Expenditure
Procurement Policy Division

516, Lok Nayak Bhawan, New Delhi.
Dated 14th August, 2018.

OFFICE MEMORANDUM

Subject: Government e-Marketplace (GeM) – on Boarding of Non-Public Financial Management System (PFMS) Agencies/Entities (NPAE) on GeM Portal – Opening and Operating of GeM Pool Accounts (GPAs) by NPAE for ensuring timely payment to GeM suppliers/vendors

The undersigned is directed to say that the issue of simplification of timely payment procedure to GeM suppliers/vendors by Non-PFMS Agencies/Entities (NPAE) through opening & operating of GeM Pool Accounts by NPAE has been under consideration of Government of India and it has now been decided that all those non-PFMS organisations/Agencies/entities who come on board on GeM shall open & operate a special purpose account namely GeM Pool Account for the purpose of ensuring prompt payment to suppliers/vendors of GeM who supply Goods/Services to the NPAE through GeM.

2. Accordingly, it is directed that organisations not operating through PFMS shall be covered under these instructions. It shall apply to CPSEs which choose to procure through GeM, all Autonomous Bodies and Societies who are hereby directed to open, operationalize and operate a GeM Pool Account (GPA) for all procurement done through bidding and Reverse Auction (RA). GeM Pool Account shall be mandatory for all procurement above Rs. 10 lakhs and optional at the discretion of the entity for value up to Rs. 10 lakhs. The GeM Pool Account shall be opened, operated and controlled exclusively and completely by the buyer entity/agency subject to certain restrictions on withdrawals of funds as enumerated in the Annex to this OM. The Account shall carry interest applicable to savings/current account. Such account shall be opened in any scheduled bank having already integrated the pool account with GeM.

3. While procuring goods & services through GeM, the NPAEs should credit 100% of the projected value of the goods/services in their GeM Pool Account before placing supply order/award of contract and it will not be withdrawn for any other purpose other than the one for which the amount is credited into GeM Pool Account.

On successful supply & acceptance of Goods & Services, the NPAE shall issue an advise without delay to the bank to release actual amount payable to vendors/suppliers as per terms of contract from the GeM Pool Account.

4. A detailed Standard operating procedure (SOP) on opening and operating of GeM Pool Account is attached in Annex.
5. The Steering Committee on GeM of each Ministry should monitor the implementation of these instructions regarding operationalisation of Gem Pool Account.

6. Ministries/ Departments of Government of India are accordingly requested to issue necessary instructions to all Non-PFMS Agencies/ Entities under their control.

7. This issues with the approval of Secretary (Expenditure).

(K Narayana Reddy)
Under Secretary to the Govt. of India
Tel: 24621305
Email: kn.reddy@gov.in

To
1. Secretaries & Financial Advisors of All Central Government Ministries/ Departments
2. Copy for Web-hosting
The Standard operating procedure (SOP) for ensuring timely payments to the GeM suppliers/ vendors through GeM Pool Account

GeM Pool Account is a special purpose bank account (interest bearing savings/ current Account) opened, operated and controlled exclusively by each NPAE for the purpose of crediting 100% projected value of the contracts/ supply orders in to the account and for subsequently making timely payments to the vendors/ suppliers on successful supply and acceptance of goods & services ordered on GeM against supply orders placed by the NPAE on GeM.

Non-PFMS Agency/ Entity (NPAE) is a Government of India (GoI) organization, CPSE, Autonomous Body or any other entity not using PFMS for its payments of transactions and having their own payment system for making payments against supply orders placed by the NPAE on GeM.

The following are the core elements of GPA that should be incorporated during the opening and operations / procurement stages:

1. The NPAE will open the GPA (as a savings or current account) which will be utilized by buyer through the online integration of Bank with the platform owned and maintained by GeM SPV, as per Service Level Agreement (SLA), and solely for procurement of goods and services on GeM.

2. The terms and conditions of procurement on GeM will be part of the operations agreement between the bank and the NPAE.

3. The role of the bank will be limited to ensuring operations of the account on the instruction of the NPAE through the authorized NPAE nodal officer for GeM/ buyer.

4. Real time details of all operations of the account will be shared by the bank, in a mutually accepted format (to be amended from time to time) with the NPAE, only through the GeM Platform.

5. Once a sub-account/ transaction specific account is credited with an amount, the NPAE cannot withdraw this amount, apart from transfer to the designated supplier, till such a time that the transaction is live.

6. Any withdrawal/ transfer by the NPAE from this account, except for payment to the supplier, would be permitted in the following conditions
   a. Order cancellation
   b. Order rejection
   c. Refund

   All the above situations would first be required to be enabled/ flagged on the GeM Platform for the NPAE to be able to act accordingly.
7. On authorization of a payment to the supplier by the NPAE Nodal officer for GeM buyer, the bank should transfer the prescribed amount to the supplier mapped in the transaction.

8. In case of an Service level agreement (SLA) breach on the part of the NPAE in terms of payments to the supplier, GeM will intimate the buyer and bank of the same. Post such intimation, and non-action on the part of the NPAE with respect to payment transfer, bank will release 100% of the amount (or as notified in the terms and conditions of procurement on GeM) to the supplier mapped in the transaction. Such a provision is required to be incorporated in GPA and should be considered as a standing instruction from the NPAE to the bank. The residual amount cannot be withdrawn/ transferred by the NPAE, in such cases. The process to be followed in case of SLA breach under various scenarios is provided below:

a. In case, even after 10 days of issue of Consignee receipt and acceptance certificate (CRAC), the buyer has not initiated the payment process through the GeM platform, a payment trigger will be automatically generated for payment equivalent to 80% of the consignment value deduced by the system as per CRAC. Simultaneously intimation will be sent to the HoD, buyer and NPAE Nodal officer for GeM, regarding the release of payment, at their risk and cost in line with the Terms and condition (T&C) and SLA of procurement on GeM. The residual payment of 20% is to be processed by the buyer within 35 days after adjusting for any statutory deduction and damages, failing which after 35 days, the same will be released to the supplier automatically through an alert to the bank by the GeM Platform, after statutory deductions and any system know deductions.

b. If the consignee does not issue Provisional receipt certificate (PRC) within 48 hours of actual receipt of consignment, the supplier can upload the consignee receipt for the transaction on the GeM Portal. For such cases the system will generate alert to the consignee to issue PRC & CRAC within stipulated time line set in T&C and SLA of procurement on GeM.

c. In case the consignee does not respond to the system generated alerts and action requirements, after the GeM specified time period, alerts and auto escalation will be initiated as per escalation matrix specified below:

i. Level 1 - Upto 3 days – Consignee
ii. Level 2 - 4 and 5th day – Consignee and Buyer
iii. Level 3 - 6 to 10th day – Consignee, Buyer, Payment/ Paying Authority and NPAE Nodal Officer for GeM

d. Post generation of CRAC, the buyer has 10 days to authorize the payment to the supplier through the GeM Platform, failing which, the
GeM Portal auto initiated payment process as elaborated in point (a) above will be triggered.

e. Unutilized funds after closure of the Contract and interest accrued on the credited amount will be at the disposal of nominated NPAE Nodal officer, who may advise banker for further action as deemed fit.

Note: All days mentioned are calendar days

*****
Government of India  
Department of Commerce  
Government e-Marketplace  

GeM/ACEO/Admin  

Office Memorandum  

17th August 2018

In continuation of earlier OM dated 19th July 2018, the updated list of Ministries designating ACEOs and DCEOs as Nodal Officers in order to effectively handle the issues pertaining to various Central Government Ministries are issued as hereunder:

<table>
<thead>
<tr>
<th>No.</th>
<th>Name of Ministry</th>
<th>Name of Officer</th>
<th>Designation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Ministry of Home Affairs</td>
<td>Mr. P. Singhal</td>
<td>ACEO</td>
</tr>
<tr>
<td>2</td>
<td>Ministry of External Affairs, Ministry of Petroleum and Natural Gas</td>
<td>Mr. K.C. Jha</td>
<td>ACEO</td>
</tr>
<tr>
<td>3</td>
<td>Ministry of Mines, Ministry of Coal and Ministry of Steel</td>
<td>Mr. A. K. Kamra</td>
<td>ACEO</td>
</tr>
<tr>
<td>4</td>
<td>Ministry of Power, Ministry of Road Transport and Highways, Ministry of Shipping</td>
<td>Mr. H. R. Sharma</td>
<td>ACEO</td>
</tr>
<tr>
<td>5</td>
<td>Ministry of Defence</td>
<td>Mr. S.K. Gupta</td>
<td>DCEO</td>
</tr>
<tr>
<td>6</td>
<td>Ministry of Finance, Ministry of Corporate Affairs</td>
<td>Mr. Dharnidhar Jha</td>
<td>DCEO</td>
</tr>
<tr>
<td>7</td>
<td>Ministry of Housing and Urban Affairs, Ministry of Environment, Forest and Climate Change</td>
<td>Mr. Y.K. Pathak</td>
<td>DCEO</td>
</tr>
<tr>
<td>8</td>
<td>Ministry of Health and Family Welfare, Ministry of AYUSH, Raj, Ministry of Drinking water and Sanitation</td>
<td>Mr. Gaurav Sharma</td>
<td>DCEO</td>
</tr>
<tr>
<td>9</td>
<td>Ministry of Rural Development, Ministry of Panchayati Raj</td>
<td>Mr. A.V. Murlicharan</td>
<td>DCEO</td>
</tr>
<tr>
<td>10</td>
<td>Ministry of Communications Ministry of Parliamentary Affairs, Ministry of Skill Dev and Entrepreneurship</td>
<td>Mr. S.K. Jain</td>
<td>DCEO</td>
</tr>
<tr>
<td>11</td>
<td>Ministry of Electronics and Information Technology</td>
<td>Mr. A.K. Rai</td>
<td>DCEO</td>
</tr>
<tr>
<td>12</td>
<td>Ministry of Labour and Employment, Ministry of Minority Affairs, Ministry of Development of NE Region</td>
<td>Mr. Akhilesh Kumar</td>
<td>DCEO</td>
</tr>
<tr>
<td>13</td>
<td>Ministry of Science and Technology, Ministry of Youth Affairs and Sports, Ministry of Social Justice and Empowerment, Ministry of Earth Sciences</td>
<td>Mr. Senjeet Kumar</td>
<td>DCEO</td>
</tr>
<tr>
<td>15</td>
<td>Ministry of Consumer Affairs, Food and Public Distribution</td>
<td>Ms. Manju Sharma</td>
<td>DCEO</td>
</tr>
<tr>
<td>16</td>
<td>Ministry of Agriculture and Farmers Welfare, Ministry of Tribal Affairs</td>
<td>Mr. A. K. Jain</td>
<td>DCEO</td>
</tr>
<tr>
<td>17</td>
<td>Ministry of Women and Child Development, Ministry of Textiles, Ministry of MSME, Ministry of Law and Justice</td>
<td>Mr. Nirmal Kumar</td>
<td>DCEO</td>
</tr>
<tr>
<td>18</td>
<td>Ministry of Railways, Ministry of Civil Aviation</td>
<td>Bhaskar Choradia</td>
<td>DCEO</td>
</tr>
<tr>
<td>19</td>
<td>Ministry of Personnel, Public Grievances and Pension, Ministry of Culture, Ministry of Tourism</td>
<td>Mayank Bisht</td>
<td>DCEO</td>
</tr>
<tr>
<td>20</td>
<td>Ministry of Food Processing Industries, Ministry of Chemical and Fertilizer, Ministry of Heavy Industries and Public Enterprise</td>
<td>Sanjay Joseph</td>
<td>DCEO</td>
</tr>
<tr>
<td>21</td>
<td>Ministry of Commerce and Industry, Ministry of Information and Broadcasting, Ministry of Stats and Programme implementation</td>
<td>L Stephen</td>
<td>DCEO</td>
</tr>
<tr>
<td>22</td>
<td>Ministry of Human Resource Development</td>
<td>D S Nagalakshmi</td>
<td>DD</td>
</tr>
</tbody>
</table>
The roles of Nodal officers were already detailed in the previous OM. The same is being reiterated as under:

The Officers designated as nodal Officer above will be responsible coordinating and resolving all issues pertaining to procurement of the department through GeM.

1. Attend the SCoGeM meeting of the ministry and update the members on the latest development in GeM, and the issues pertaining to the ministry (like level of procurement through GeM, buyer's performance, payment delays etc.).

2. Resolving the issues raised by the department in SCoGeM or referred directly.

3. Registration of all units and organisation in the ministry and enabling their transactions through GeM.

4. Creating the product / services demanded by the ministry, enlisting of sufficient vendors and products in these categories- in coordination with the DCEOs concerned.

5. Payment delay reports of the ministry shall be regularly reviewed by the Officers and taken up with the concerned Officer in the ministry (JS&FA, JS (Admin) etc.) for timely resolution.

6. Nodal Officers shall also review the month on month growth in transactions by the ministry and proactively facilitate the procurement authorities in the ministry to enhance their procurement through GeM.

7. Nodal Officers are also requested to proactively verify the overall procurements done by the Ministry and their organisations through other modes (CPPP, manual tender etc.) and advice the HoDs to make use of GeM instead of other modes.

8. Procurement by all organisations, PSUs, attached offices and statutory bodies under the concerned ministry shall also be monitored by the nodal Officers.

9. Mr. K. C. Jha (ACEO, GeM), as lead of the buyer side review shall regularly review the effectiveness of SCoGeM meeting and the performance of the Nodal Officers. The SCoGeM meeting and ministry wise issues may be monitored through appropriate tracking tools and reported to CEO (GeM).


(Bhaskar Choradia)
DCEO

All Concerned