OFFICE MEMORANDUM

Subject :- Committee of Secretaries (CoS) recommendations on Government e-Marketplace (GeM) – reg.

The undersigned is directed to forward herewith a copy of the O.M. No. F.13/4/2017-PPD(Pt.) dated 4th May, 2018 received from Department of Expenditure on the above mentioned subject for information and compliance.

(R.S. Negi)
Under Secretary to the Government of India

To

1) All Divisional Heads by name (including NAEB and NRCD)
2) JS(Admn.) in respect of Ministry Proper/HoD.
3) All Autonomous Bodies/Attached Offices/Subordinate offices under the administrative control of this Ministry.

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.
OFFICE MEMORANDUM

Subject: Committee of Secretaries (CoS) recommendations on Government e-Marketplace (GeM).

The undersigned is directed to forward recommendations of CoS made during the review meeting on GeM held on 18.04.2018 for information and taking appropriate action:

(a) Financial Advisers (FAs) of all buyer Departments/ Ministries may be asked to take active interest in routing purchases through GeM platform as well as making timely payments.

(b) Standing Committee of GeM (SCoGeM) may ensure that all purchases are done through GeM platforms and timely payments are made. Any purchase outside the GeM platform may be made only with the recommendations of SCoGeM and approval of the Secretary concerned.

(c) All Central Government agencies may use PFMS to pay for GeM purchases. Further, off-line payments, which may normally be avoided, may be updated on the GeM platform under the guidance of FAs.

(d) GeM may devise an appropriate mechanism to aggregate the demand of different Government agencies. Further, Government agencies is requested to upload their annual procurement plans on GeM portal, under the guidance of respective FAs.

(e) CPSEs and other sub-ordinate agencies may be encouraged to undertake procurement through GeM. GeM may consider linking ERP procurement modules of the CPSEs with GeM payment gateway.

2. It is requested to organise periodic meetings of SCoGeM and mark a copy of the SCoGeM minutes to Secretary (Expenditure) and CEO, GeM without fail.

3. A copy of the minutes of meeting chaired by Cabinet Secretary is enclosed.

Under Secretary to the Govt. of India
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To,
Financial Advisors of all Central Government Ministries/ Departments
MINUTES OF THE MEETING OF COMMITTEE OF SECRETARIES

Doc. No. 26/2018-CA.IV

Venue: Committee Room, Cabinet Secretariat, Rashtrapati Bhawan
Date of meeting: Wednesday, the 18th April, 2018
Time of Meeting: 11:00 a.m.

PRESENT

Shri P.K. Sinha, Cabinet Secretary
Dr. Inder Jit Singh, Secretary (Coordination), Cabinet Secretariat
Ms. Rita A. Teotia, Secretary, D/o Commerce
Shri Anil Swarup, Secretary, D/o School Education & Literacy
Shri A.P. Sawhney, Secretary, M/o Electronics & Information Technology
Shri A.N. Jha, Secretary, D/o Expenditure
Shri C. Roul, Special Secretary, D/o Agricultural Research & Education
Shri Anthony Lianzuala, Controller General of Accounts
Ms. Radha S. Chauhan, CEO, Government e-Marketplace
Shri Suresh Kumar S., Addl. CEO, Government e-Marketplace
Ms. Anuradha Mitra, Member (Finance), D/o Telecommunications
Ms. Manjula Rangaraaj, Additional Member (Finance), Railway Board
Ms. Madhulika P. Sukul, CGDA, M/o Defence
Shri A. Giridhar, Additional Secretary, Cabinet Secretariat
Shri Arun Goel, Additional Secretary & FA, M/o Labour & Employment
Shri G.C. Murmu, Additional Secretary, D/o Revenue
Ms. Gargi Kaul, Additional Secretary & FA, M/o Civil Aviation
Shri B. Bhattacharya, DG, HRD (CBIC), D/o Revenue
Ms. Meenu Kumar, Additional Director, HRD (CBIC), D/o Revenue
Shri Dilip Padhye, Sr. DDG, D/o Posts
Shri Viraj Singh, Joint Secretary, M/o External Affairs
Shri Machhuriyan Kumar, Joint Secretary, D/o Higher Education
Shri Rajesh Kumar Sinha, Joint Secretary, M/o Coal
Ms. Reena S. Puri, Joint Secretary & Financial Advisor, M/o Coal
Shri Anil Malik, Joint Secretary, M/o Home Affairs
Shri Bhaskar Varma, Joint CGA, O/o Controller General of Accounts
Ms. Surabhi Varma Garg, ADG (Expenditure Budget), CBDT
Shri Alok Tiwari, Deputy Secretary, Cabinet Secretariat
Shri M. Subramanian, Deputy Secretary, M/o Home Affairs

Subject: Review meeting on Government e-Marketplace (GeM).

A meeting of Committee of Secretaries (CoS) was held under the chairmanship of Cabinet Secretary on 18.4.2018 at 11.00 AM in the Committee Room, Cabinet Secretariat, Rashtrapati Bhawan on the subject mentioned above.
2. Secretary, D/o Commerce informed that GeM platform provides online end-to-end solution for procurement of goods and services for all Central Government and State Government Ministries, Departments, Public Sector Units and other subordinate bodies. GeM has been able to achieve significant scale in operations in terms of cumulative transaction value (Rs.6,307 cr), with the total number of orders being 3,66,697. She further informed that total number of products on the platform is 624,394 with 21,610 buyer organizations and 97,398 seller organizations on board.

3. CEO, GeM apprised the Committee that around 25% savings have been realized across all product categories, except automobiles. For automobiles, savings realized have been around 12%. GeM platform has signed MoUs with 22 States/Union Territories for mandatory procurement through GeM and MoUs have been signed with 8 banks for payment integration. CEO, GeM gave details of superior performance of the latest version viz., GeM 3.0, in terms of greater integration with user agencies and better monitoring using dashboards.

4. Commerce Secretary flagged three areas of concern. Firstly, there is a considerable delay in payments by many organizations, particularly in the case of non-PFMS organizations. In this context, she pointed out that CoS had recommended that all Government organizations not operating on PFMS should adopt and use GeM Pool Account for payment. Secondly, Standing Committee on GeM (SCoGeM) should be activated in all Ministries/Departments to drive procurement through GeM platform and ensure timely payment, apart from making other recommendations for improvement of GeM platform. Thirdly, the existing procurement guidelines for buyer organizations need to be modified in the context of procurement on GeM platform. In particular, since the bidding process on GeM is at the backdrop of a set of standardized parameters, in most cases technical evaluation committees are not required.

5. Additional Secretary & Financial Adviser, M/o Civil Aviation stated that certain instances have come to light in which sellers on GeM platform are quoting suspiciously low prices which may lead to quality issues. Secretary, D/o School Education and Literacy stated that a monthly report on payment pendency may be sent to the Secretaries of the Departments concerned. Secretary, D/o Expenditure (DoE) informed that a Committee is working on optimization of GeM Pool Account. Once that is done, delayed payment problem will be obviated. Secretary, DoE stated that procurement guidelines are being processed for deletion of provisions contradictory to GeM procedure. Additional Member (Finance), Railway Board informed that a large component of procurement made by M/o Railways relates to railway-specific items which are difficult to be procured through GeM. She further stated that efforts would be made to shift a larger share of railway procurement on GeM platform. It was observed that M/o Railways is not procuring even items of common usage on GeM platform and that they should strictly follow GFR in this regard.
6. After detailed deliberations, it was recommended that:

(a) D/o Expenditure may consider prescribing deposit of 100% of the cost of purchase in GeM Pool Account by non-PFMS buyer organizations prior to creating order of purchase.

(b) Financial Advisers (FAs) of all buyer Departments/Ministries may be asked to take active interest in routing purchases through GeM platform as well as making timely payments.

(c) SCoGeM may ensure that all purchases are done through GeM platforms and timely payments are made. Any purchase outside the GeM platform may be made only with the recommendation of SCoGeM and approval of the Secretary concerned.

(d) All Central Government agencies may use PFMS to pay for GeM purchases. Further, off-line payments, which may normally be avoided, may be updated on the GeM platform under the guidance of FAs.

(e) GeM payment gateway may be integrated with Treasury payment systems of the States as well as with the payment system of all Central Government agencies / CPSEs. Monthly payment pendency reports may be sent to the Secretaries of the Departments/Ministries, with copy to FAs.

(f) DoE may expedite the notification of new GeM Pool Account guidelines as well as new procurement guidelines in the context of GeM platform.

(g) Seller organizations, which have supplied substandard items, may be considered for appropriate action. Further, GeM may create a team of quality evaluation professionals to, inter-alia, identify non-serious low quality suppliers.

(h) GeM may devise an appropriate mechanism to aggregate the demand of different Government agencies. Further, Government agencies may be asked to upload their annual procurement plans on GeM portal, under the guidance of respective FAs.

(i) GeM and D/o Commerce may operationalize and encourage reverse auction module on GeM platform.

(j) CPSEs and other sub-ordinate agencies may be encouraged to undertake procurement through GeM. GeM may consider linking ERP procurement modules of the CPSEs with GeM payment gateway.