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:

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<th>S.No.</th>
<th>Existing Provisions of GFRs, 2017</th>
<th>Amended Rule</th>
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| 1.    | Rule 147: Powers for procurement of goods:  
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. | Rule 147: Powers for procurement of goods:  
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. |
| 2.    | Rule 149 Government e-Marketplace (GeM):  
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 | Rule 149 Government e-Marketplace (GeM):  
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 |
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<td>advertisement of the items to be procured through GeM for the prospective suppliers. The</td>
<td>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&amp;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:</td>
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<td>Procurement of Goods and Services by Ministries or Departments will be mandatory for Goods or</td>
<td>(i) Up to Rs.25,000 through any of the available suppliers on the GeM, meeting the requisite quality, specification and delivery period. (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.</td>
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<td>Services available on GeM. The credentials of suppliers on GeM shall be certified by DGS&amp;D.</td>
<td>(iii) Above Rs.3,00,00,000 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).</td>
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<td>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:</td>
<td>Note: There is no change in clauses (iv) to (viii).</td>
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<td>(i) Up to Rs.50,000/- through any of the available suppliers on the GeM, meeting the requisite</td>
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<td>quality, specification and delivery period. (ii) Above Rs.50,000/- and up to Rs.30,00,000/-</td>
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<td>through the GeM Seller having lowest price amongst the available sellers, of at least three</td>
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<td>different manufacturers, on GeM, meeting the requisite quality, specification and delivery</td>
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<td>period. The tools for online bidding and online reverse auction available on GeM can be used by</td>
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<td>the Buyer if decided by the competent authority.</td>
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<td>(iii) Above Rs.30,00,000/- through the supplier having lowest price meeting the requisite</td>
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3. **Rule 150: Registration of Suppliers:**

(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.

(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.

4. **Rule 155: Purchase of goods by Purchase Committee:**

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

**Amended Rule**

Rule 150: Registration of Suppliers:

(i) For goods and services not available on GeM, 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.

(v) The list of registered suppliers for the subject matter of procurement be exhibited on websites of the Procuring Entity/ e-Procurement portals.

Note: There is no change in clauses (ii) to (iv).

Rule 155: Purchase of goods by Purchase Committee:

*In case a certain item is not available on the GeM portal, 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*
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<td>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:</td>
<td>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:</td>
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<td>&quot;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.&quot;</td>
<td>&quot;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.&quot;</td>
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<td>5.</td>
<td>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.</td>
<td>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.</td>
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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.
4. Hindi version of this OM will follow.

(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
To

The Directors of all IITs

Sub:- Government E-Marketplace (GeM) developed by DGS&D – requirement for common use goods and services.

Sir,

I am directed to enclose a copy of D.O. No. 3589/GeM/DGS&D/2016 dated 07.10.2016 received from the Commerce Secretary on the above mentioned subject with a request that all the IITs may use the system.

Yours faithfully,

Encl: as above

TRIPTI GURHA
DIRECTOR (IITs)
Tel. No. 2338 1058
As you are aware, based on a decision by Government pursuant to recommendation of two Groups of Secretaries, a Government e-Marketplace (GeM) has been developed by DGS&D with technical support of NeGD (Meity). The portal was launched on 9th August 2016.

2. GeM is an end-to-end online marketplace for common use goods and services required by Government buyers and provides greater transparency and efficiency for government procurements. Presently 29 Product categories covering approximately 1500 products from more than 700 Sellers are available on GeM. In addition, hiring of transport services has also been listed on GeM with 140+ vehicle offers from 46+ Service providers. Within a short span of time, procurement of over Rs. 20 crores has already been made through GeM. I am glad to share with you that transactions so far have revealed substantial savings especially when bidding has been done. We would be happy to consider your suggestions regarding addition of goods and services on this platform.

3. Procurement on GeM has been enabled by amendment to GFR (Rule 141A). Further, Department of Expenditure through an OM has mandated payment to suppliers within 10 days of acceptance of goods/services. GeM has already been integrated with PFMS for Central Government Ministries and with State Bank Multi Option Payment System (SBMOPS) for direct payment through the banking channel. Details may please be seen at gem.gov.in

4. In order to provide hands-on training to procurement officers, DGS&D is conducting workshops on a continuous basis in association with NIFM and NeGD. You are requested to make use of these workshops for training of procurement officers of your Department stationed in Delhi as well as across the country. The list of participants along with contact details may kindly be e-mailed to Shri Chuni Lal, Deputy Director at chuni.dgsnd@gov.in.

5. In addition, DGS&D is also willing to hand-hold the procurement officers of your Department for registration as well as issuing bids and Reverse Auction on GeM. Requests to this effect may be sent to Shri Aman Sharma, Director (GeM), aman.dgsnd@gov.in so that a GeM expert can be deputed to your Department at the required date and time.

6. I am sure GeM would be able to meet your Department’s requirements for common use goods and services as well as those of organisations including the CPSUs under the ambit of your Ministry/Department. It is requested that appropriate instructions may be issued from your level to make use of this platform for all procurements.

Yours sincerely,

[ Rita Teaotia ]

The Secretaries of all Ministries/Departments
(Government of India)