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(भारत सरकार का एक उद्यम)
Balmer Lawrie & Co. Ltd.
(A Government of India Enterprise)



Government e-Marketplace (GeM)

Procurement Manual

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Chapter -1

Introduction

1.1 General Outline of the Government e-Marketplace (GeM) Procurement Manual

- 1.1.1 Ministry of Petroleum & Natural Gas, vide its letter no J-25011/83/2017-Gen dated 10.07.2017 advised procurement of goods and services through Government e-Marketplace, to enhance transparency.
- 1.1.2 As per Cabinet Note issued on 12th April, 2017, functioning of DGS&D has been closed, effective 31st October 2017 with an instruction that all the user Departments, suppliers to be re-directed to GeM website for all the procurement activities.
- 1.1.3 The portal was launched on 9th August 2016. Rules for procurement through GeM have been incorporated in GFR 2017 as Rule 149.
- 1.1.4 All Central Government and State Government Ministries / Departments including its attached / subordinate offices, Central and State autonomous bodies, Central and State Public Sector Units and local bodies etc have been advised to make procurement through GeM portal, which shall provide an end to-end online Marketplace.

1.2 Brief of Government e Marketplace (GeM) portal

- 1.2.1 GeM portal provides an online platform for buyers and sellers.
- 1.2.2 GeM Special Purpose Vehicle (SPV) is a one stop Government e-Marketplace (GeM) to facilitate online procurement of commonly used Goods & Services required by various Government Departments / Organizations / PSUs. GeM aims to enhance transparency, efficiency and speed in public procurement. It provides the tools of e-bidding, reverse e-auction and demand aggregation to facilitate the government users to achieve the best value for their money.
- 1.2.3 SPV to be called Government e-marketplace (GeM SPV) which is the owner of this National Public Procurement Portal (section 8 Company registered under the companies Act, 2013) for providing procurement of goods and services.
- 1.2.4 GeM is mainly for generically standardized products and services. At present the GeM is mainly an open – ended – trust - based system. The system of verification of vendors and rating of vendors is being taken up in upgraded versions of the GeM (Gem 3.0 and beyond) which shall also include various other features, to overcome the limitations of the present system in GeM.

Chapter -2

Registration Procedure

2.1 Registration Procedure

For starting procurement from GeM portal, registration in the portal is required. Two types of registration are required in GeM portal: Primary User and Secondary User. The Primary user registers the Organization and is responsible for registering secondary users who will perform the tendering function. The Secondary Users carry out the tendering activity.

Secondary User shall be created at the following levels:

1. SBU Level - Greases & Lubricants (G&L), Industrial Packaging (IP), Leather Chemicals (LC), Logistics Services (LS), Logistics Infrastructure (LI), Ticketing, Vacation, Refinery & Oil Field Services(ROFS)
2. Function/Department Level: Corporate Human Resource Management (HR), Finance & Accounts (F&A), Information Technology(IT), Company Secretary, Strategic Planning, Engineering & Projects (E&P), Administration, Regional Human Resource(RHR- East, West, North & South)

For the purpose of using the GeM portal for procurement process in Balmer Lawrie (BL), each Branch/Plant/office will register themselves on the GeM portal as Secondary Users by furnishing the requisite details.

As BL has Plants , offices & Branches at multiple locations, units and procuring departments placed all over India, hence, the procedure for streamlining the process of registration on the GeM website as below:

2.2 Primary User

Primary user is the nodal authority from his organization for GeM portal who will not perform any tendering activity on the GeM portal . The Chief Information Officer (CIO) is the primary user for the organization until further notice.

Main roles and responsibilities of Primary user:

- Representative of Buyer Organization
- Filling of Organization details
- Creation of Secondary Users – Editing Roles and Deactivation
- Monitoring of orders placed
- Administration of GeM procurements

2.3 Secondary User

Secondary users authorized by Primary user have to get registered themselves in the GeM portal. The Secondary Users shall participate in the tendering activity. Secondary users are the buyer/purchaser, consignee/indenter and commercial representative who are directly involved in the tendering activity.

Four types of roles are performed by Secondary users in GeM portal.

- 1. Buyer:** Buyer will select the item for purchase and will place the order on behalf of his organization. All the Chief Operating Officers/Head (Operations) / Head Corporate Function plus one officer in Grade E4 & above of same SBU can act as buyer .
- 2. Consignee:** Consignee will receive the item and will generate the Provisional Receipt Certificate (PRC) and Consignee Receipt and Acceptance Certificate (CRAC).
- 3. Paying Authority / PAO :** CPSE's which choose to procure through GeM shall have to open, operationalize and operate a GeM Pool Account 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 upto Rs 10 lakhs. The GeM Pool Account shall be opened , operated and controlled exclusively by the buyer subject to certain restrictions on withdrawals . The Account shall carry interest applicable in savings account and shall be opened in any scheduled bank having already integrated with GeM Pool Account. While procuring the goods through GeM, Non - PFMS Agencies (NPAE) 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 amount is credited into GeM Pool Account. On successful supply and acceptance of Goods & Services, the NPAE shall issue an advice without delay to the bank to release actual amount payable to vendors/suppliers as per terms of contract from GeM Pool Account. In case of payments below Rs 10 lacs paying authority will make the payment to supplier/vendor through NEFT as made to regular vendors. Necessary payment details shall be uploaded on the GeM Portal by the Paying Authority.

2.4 Registration on GeM portal is to be done by Primary user through their Aadhaar No. and Aadhaar linked mobile no., Official/NIC mail. Secondary User shall also be registered in the GeM system by Primary user. Thereafter Secondary user shall authenticate himself in GeM portal. Aadhaar No., Aadhaar linked mobile no, Official email IDs are must for using GeM for primary and secondary users. All online documents in GeM are e-signed through an OTP received on mobile no. linked with Aadhaar.

Chapter -3

Modification in Commercial Pre-Qualification Criteria

- 5.1** The GeM portal provides filter for Average Annual Turnover value and years of experience while tendering on GeM. However, no separate filter for commercial experience criteria vis-à-vis the value of prior experience is provided on GeM.
- 5.2** The SBU/ Functional Department has the option to opt for BL terms and conditions under clause 5.5.2 of Purchase Manual.

Chapter -4

Brief on the Standard Procedure for Procurement below Rs. 50,000 (Direct Purchase) from GeM portal

- 6.1** Login to GeM portal as buyer (secondary user).

- 6.2** Enter the necessary details and the GeM portal shall provide a list of suppliers with products having the desired specifications.

- 6.3** Choose and select the desired product from any of the products shown in the list provided on the GeM portal, subject to the product meeting the required quality/ quantity/specifications/delivery period and availability as approved by the Competent authority.

- 6.4** Add the selected item to cart and click on Direct Purchase option.

- 6.5** Establish price reasonability and price justification of the item selected for obtaining approval of placement of order.

- 6.6** Obtain approval of competent authority based on the GeM documents for placement of order on the selected supplier following Clause 17 Annexure 2 of Purchase Manual.

- 6.7** Proceed for order placement on GeM website → upload scan copy of award approval on GeM website (In BL case, a common format designed by COIS for declaration that award is approved is to be uploaded instead of scan of the approval copy) → place the order and e-Sign through Aadhaar OTP.

- 6.8** Parallel activity in SAP: Creation of SAP vendor code (if new vendor) using the relevant details sought from vendor and creation of regularizing SAP Purchase Order by Buyer for regularization and payment

6.9 Seller shall dispatch the material and upload necessary details on GeM for generation of Online Invoice on GeM portal.

6.10 SMS/Email alert will be received by Buyer & PAO on submission of Invoice.

6.11 Consignee shall generate the Provisional Receipt Certificate (PRC) within 48 hours of receipt of material and after verification of material received, shall generate the Consignee's Receipt & Acceptance Certificate (CRAC) within 10 days of date of issue of PRC in GeM system.

6.12 Parallel activity in SAP: Generation of Goods receipt Note (GRN) by Consignee in SAP against the regularizing PO.

6.13 The process as detailed in Chapter 2 , clause 2.3.3 be followed for payment to GeM suppliers/vendors.

(For details on the aforesaid, and for procurement through Bidding/Reverse Auction, training materials on GeM portal may be referred).

Chapter -5

Major Terms and Conditions for Procurement through GeM

- 7.1** General Terms and Conditions of Sale / Purchase in Government e-Marketplace (GeM), General Terms and Conditions for enrolment of Seller on GeM (Government e-Marketplace) and (if applicable) Special Terms and Conditions for Reverse Auction on GeM or Special Terms and Conditions for e-bidding on GeM, shall be applicable. The above terms and conditions are as available on the GeM portal through FAQs, training manual, announcements etc.
- 7.2** Buyer should review tender terms and conditions in the GeM Portal before initiating any purchase.
- 7.3** Any special terms, however, may be incorporated as part of specifications at bidding/RA stage. However, the same should be in sync with the GeM website terms and conditions.
- 7.4** The bidding process on GeM portal is in two stages as per GeM procedure. In first stage the bidders are to be qualified technically and then prices are visible on GeM portal for the technically qualified bidders only.
- 7.5** Price basis:
Prices shall be all inclusive basis i.e. including all taxes. Statutory variation, if any, shall be to the seller's account. Products / Services in GeM are offered on Free Delivery at Site basis including loading / unloading.
- 7.6** The prices on GeM are dynamic. Sellers' can add or remove any product and change their offer price any time. However in case of Direct Purchase, during carting period of 5 days, rates for carted quantity, for that buyer, are frozen for five days against any upward revision by seller.
- 7.7** Purchase Order: PO shall be placed through GeM website only and for the purpose of payment, a regularizing SAP PO shall be created.

7.8 Repeat Order is not possible on GeM portal.

7.9 In case of Services, the contract shall become legally binding and in force only upon submission of Performance Security Deposit and it is expected that the security deposit is submitted and work commenced within 15 days of issue of the contract.

Further, the Contract shall remain valid and shall remain incomplete until no dues Certificate has been signed by the user in-charge and delivered to the Department with a copy to the Contractor. The user in-charge shall give such a certificate within 10 days of completion of defects liability period.

7.10 Integrity pact:

As per terms and conditions of Sale/Purchase on GeM, the Buyers/Sellers are, by default, bound by Integrity Pact as available on the GeM website (https://gem.gov.in/resources/pdf/Integrity_Pact_SW_Developer.pdf & https://gem.gov.in/resources/pdf/Integrity_Pact_Goods.pdf), The content of integrity pact is part and parcel of all orders being placed on GeM and is binding to the Buyers/Sellers.

7.11 Provision for Performance bank guarantee:

7.11.1 There shall be no Performance Security / PBG requirement for contracts placed under Direct Purchase Option on GeM.

7.11.2 For procurement through Reverse Auction/e-bidding, Security Deposit / Performance Bank Guarantee (PBG) @2% of contract value, shall be applicable in respect of contracts valuing above Rs. 25 Lakh, as per special terms and conditions applicable for e-bidding / RA.

7.11.3 Such Performance Bank Guarantee from a scheduled commercial bank must be submitted by seller to the Buyer within 15 days of award of contract and shall be in the format provided on GeM. Payments against such contract shall not be released till acceptable Performance Bank Guarantee is furnished by the seller.

- 7.11.4 There shall be no Performance security / PBG requirement for contracts placed against the seller 'Energy Efficiency Services Limited (EESL)' under Direct Purchase/e-bidding/Reverse Auction option on GeM, since such contracts shall be governed by MoU/ Agreement signed between EESL and GeM SPV.
- 7.11.5 As indicated above, the PBG format of BL shall not be applicable. Here, it is to be noted that the prices quoted by vendor is inclusive of all Taxes and duties hence PO will also be inclusive of all taxes and duties.

7.12 Payment procedure for GeM:

- 7.12.1 GeM Pool Account shall be opened , operationalized and to be operated for all procurement done through bidding and Reverse Auction and mandatory for all payments above Rs 10 lacs.
- 7.12.2 The NPAE will open the GeM Pool Account which will be utilized by buyer through online integration of bank with the platform owned and maintained by GeM SPV as per Service Level Agreement and solely for procurement of goods and services on GeM.
- 7.12.3 The terms and conditions of procurement on GeM will be part of the operation agreement between the bank and the NPAE.
- 7.12.4 The role of the bank will be limited to ensuring operations of the account on the instruction of the NPAE through the authorized nodal officer for GeM/Buyer.
- 7.12.5 Real time details of the operation of the account will be shared by the bank, in a mutually accepted platform (to be amended from time to time) with the NPAE only through the GeM Platform
- 7.12.6 Once a sub - account / transaction specific amount is credited with an amount, the NPAE cannot withdraw this account except for payment to the supplier , till such a time that the transaction is live.

7.12.7 Any withdrawal/ transfer by the NPAAE from this account except for payment to the supplier would be permitted in the following conditions namely order cancellation, order rejection and refund. The situations would first required to be enabled/flagged on the GeM platform for the NPAAE to be able to act accordingly.

7.12.8 On authorization of a payment to the supplier by the Nodal Officer for GeM/buyer, the bank should transfer the prescribed amount to the supplier mapped in the transaction.

7.12.9 In case of an Service Level agreement (SLA) breach on the part of the NPAAE in terms of payment to the supplier, GeM will intimate the buyer and bank of the same. Post such intimation and non- action on the part of the NPAAE with respect to payments transfer , bank will release 100% of the amount to the supplier mapped in the transaction. Such a provision is required to be incorporated in GPA and should be considered as standing instruction from the NPAAE to the bank. The residual amount cannot be withdrawn / transferred by the NPAAE 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 as per CRAC. Simultaneously intimation will be sent to the HOD, Buyer and Nodal officer for GeM regarding the release of payment at their risk and cost in line with Terms and Conditions 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 deductions 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 platfor.
- b. If the consignee does not issue the 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 auto alert will be generated from the system to the consignee to issue PRC & CRAC within stipulated timeline as set out in T&C and SLA of procurement on GeM.

7.12.5.1 For Goods:

- 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 matrix will be initiated as per the escalation matrix specified below :

I. Level 1 - Up to 3 days - Consignee

II Level 2 - 4 - 5 th Day - Consignee and Buyer

III Level 3 6 – 10th Day - Consignee , Buyer, Payment Paying Authority and NPAE Nodal Officer for GeM

7.12.10 In case of payments from GeM procurement contracts for a value upto Rs 10 lacs payment to supplier/vendor through NEFT as made to regular vendors. The payment details shall be uploaded on the GeM portal by the PAO. However payment process as detailed in 7.12.9 (a) has to be followed.

7.12.11 Payment terms on GeM:

On-line payments shall be made in INR as per following terms by the Accounts Department of the Buyer to be stipulated in the Contract against the on-line bills to be submitted by the Seller.

7.12.12 **For Goods**

In case of goods, 100% payment will be released within ten (10) days of issue of consignee receipt-cum-acceptance certificate and submission of bills.

7.12.5.13 **For Services:**

In case of services, 100% payments on the basis of monthly bills will be paid within 10 days of submission of bills with prescribed documents

7.12.5.1 For Goods:

- 7.13** L.D. Clause: If the seller fails to deliver the Goods/Services within scheduled Delivery Time, LD will be charged @0.5% per week or part of the week of delayed period not exceeding 5% of Contract Value.
- 7.14** Establishment of reasonability of prices on GeM portal is the responsibility of the Buyer organization (indenting department/ Consignee).
- 7.15** There is no provision of price negotiation on GeM. Tender can be refloated on GeM if the L1 price is higher than estimate/ price reasonability cannot be established.
- 7.16** There is a provision for procurement through MSE bidders by applying filters. On GeM, the filters for selecting goods which are Preferential Market Access (PMA) compliant and those manufactured by Small Scale Industries(SSI), enables the Government buyers to procure Make in India and SSI goods. This option can be exercised for procurement of MSE reserved items.

However, at present there is no provision for procurement through preference to MSEs in L1+15% price range, mandated through the Public Procurement policy of Government of India. The facility is envisaged in upcoming upgraded version of GeM.

