



सत्यमेव जयते

Government Of India

GENERAL FINANCIAL RULES 2017



Updated up to 31.07.2023

- Ministry/Department will maintain such list which will also be displayed on their website.
- (iv) The bidder shall not be debarred unless such bidder has been given a reasonable opportunity to represent against such debarment
- Rule 152** Enlistment of Indian Agents: [Ministries / Departments if they so require, may enlist Indian agents, who desire to quote directly on behalf of their foreign principals.]¹⁰
- Rule 153** **Reserved Items and other Purchase/ Price Preference Policy.**
- (i) [The Central Government, through administrative instructions, has reserved all items of hand spun and hand-woven textiles (khadi goods) for exclusive purchase from Khadi Village Industries commission (KVIC). Of all items of textiles required by Central Government departments, it shall be mandatory to make procurement of at least 20% from amongst items of handloom origin, for exclusive purchase from KVIC and/ or Handloom Clusters such as Co-Operative Societies, Self Help Group (SHG) Federations, Joint Liability Group (JLG), Producer Companies (PC), Corporations etc. including Weavers having Pehchan Cards.]¹¹
- (ii) Ministry of Micro, Small and Medium Enterprises (MSME) have notified procurement policy under section 11 of the Micro, Small and Medium Enterprises Development Ad, 2006.
- (iii) The Central Government may, by notification, provide for mandatory procurement of any goods or services from any category of bidders, or provide for preference to bidders on the grounds of promotion of locally manufactured goods or locally provided services.
- Rule 154** **Purchase of goods without quotation**
Purchase of goods upto the value of Rs. 25,000 (Rupees twenty five thousand) only]¹² only on each occasion may be

¹⁰ Amended vide DoE OM No. F.26/2/2016-PPD dated 25.07.2017.

¹¹ Amended vide DoE OM No. F.10/2/2019-PPD(Pt.) dated 17.02.2020.

¹² Replace with "Rs. 50,000 (Rupees Fifty thousand) only for common use goods and Rs. One lakh for scientific equipments and computers" in case of Scientific Ministries/ Departments which are Department of Science and Technology, Department of Bio-technology, Department

made without inviting quotations or bids on the basis of a certificate to be recorded by the competent authority in the following format.

"I, am personally satisfied that these goods purchased are of the requisite quality and specification and have been purchased from a reliable supplier at a reasonable price."

Rule 155 **Purchase of goods by Purchase**

Committee. [In case a certain item is not available on the GeM portal,]¹³ 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)]¹⁴ on each occasion may be made on the recommendations of a 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:

"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."]

of Scientific and Industrial Research, Department of Atomic Energy, Department of Space, Ministry of Earth Sciences, Defence Research and Development Organisation and Indian Council of Agricultural Research (ICAR); refer DoE OM No. F.20/42/2021-PPD dated 01.09.2021 and OM No. F.20/42/2021-PPD(Pt.) dated 24.09.2021. Note: These powers are to be used only when the required goods are not available on Government e-Marketplace (GeM) as stipulated in this Department OM No. 6/1/2018-PPD dated 19.01.2018.

¹³ Inserted vide OM No. F.1/26/2018-PPD dated 02.04.2019.

¹⁴ Replace with "Rs. 50,000 (Rupees Fifty thousand) or one lakh and upto 10 lakh" in case of Scientific Ministries/ Departments which are Department of Science and Technology, Department of Bio-technology, Department of Scientific and Industrial Research, Department of Atomic Energy, Department of Space, Ministry of Earth Sciences, Defence Research and Development Organisation and Indian Council of Agricultural Research (ICAR); refer DoE OM No. F.20/42/2021-PPD dated 01.09.2021 and OM No. F.20/42/2021-PPD(Pt.) dated 24.09.2021. Note: These powers are to be used only when the required goods are not available on Government e-Marketplace (GeM) as stipulated in this Department OM No. 6/1/2018-PPD dated 19.01.2018.

- Rule 156** Deleted.¹⁵
- Rule 157** A demand for goods should not be divided into small quantities to make piecemeal purchases to avoid the necessity of obtaining the sanction of higher authority required with reference to the estimated value of the total demand
- Rule 158** Purchase of goods by obtaining bids. Except in cases covered under Rule 154, 155, and 156(1), Ministries or Departments shall procure goods under the powers referred to in Rule 147 above by following the standard method of obtaining bids in:
- (i) Advertised Tender Enquiry.
 - (ii) Limited Tender Enquiry
 - (iii) Two-Stage Bidding
 - (iv) Single Tender Enquiry
 - (v) Electronic Reverse Auctions
- Rule 159 E-Publishing**
- (i) It is mandatory for all Ministries/ Departments of the Central Government, their attached and Subordinate Offices and Autonomous /Statutory Bodies to publish their tender enquiries, corrigenda thereon and details of bid awards on the Central Public Procurement Portal (CPPP).
 - (ii) Individual cases where confidentiality is required, for reasons of national security, would be exempted from the mandatory e-publishing requirement. The decision to exempt any case on the said grounds should be approved by the Secretary of the Ministry/ Department with the concurrence of the concerned Financial Advisor. In the case of Autonomous Bodies and Statutory Bodies' approval of the Head of the Body with the concurrence of the Head of the Finance should be obtained in each such case. Statistical information on the number of cases in which exemption was granted and the value of the concerned contract should be intimated on a Quarterly basis to the Ministry of Finance, Department of Expenditure.
 - (iii) The above instructions apply to all Tender Enquiries, Requests for Proposals, Requests for Expressions of Interest, Notice for pre Qualification/ Registration or

any other notice inviting bids or proposals in any form whether they are advertised, issued to limited number of parties or to a single party.

- (iv) Deleted.¹⁶
- (v) These instructions would not apply to procurements made in terms of provisions of Rules 154 (Purchase of goods without quotations) or 155 (Purchase of goods by purchase committee) of General Financial Rules.

Rule 160 E -Procurement

- (i) It is mandatory for Ministries/ Departments to receive all bids through e-procurement portals in respect of all procurements.
- (ii) Ministries/ Departments which do not have a large volume of procurement or carry out procurements required only for day-to-day running of offices and also have not initiated e-procurement through any other solution provided so far, may use e-procurement solution developed by NIC. Other Ministries/ Departments may either use e-procurement solution developed by NIC or engage any other service provider following due process.
- (iii) Deleted.¹⁷
- (iv) In individual case where national security and strategic considerations demands confidentiality, Ministries/ Departments may exempt such cases from e-procurement after seeking approval of concerned Secretary and with concurrence of Financial Advisers.
- (v) In case of tenders floated by Indian Missions Abroad, Competent Authority to decide the tender, may exempt such case from e-procurement.

Rule 161 Advertised Tender Enquiry

- (i) Subject to exceptions incorporated under Rule 154, 155, 162 and 166, invitation to tenders by advertisement should be used for procurement of goods of estimated value of Rs. 25 lakhs (Rupees Twenty Five Lakh) and above.

¹⁵ Deleted vide DoE OM No. F.1/26/2018-PPD dated 02.04.2019.

¹⁶ Deleted vide DoE OM No. F.1/26/2018-PPD dated 02.04.2019.

¹⁷ Deleted vide DoE OM No. F.1/26/2018-PPD dated 02.04.2019.

Advertisement in such cases should be given on Central Public Procurement Portal (CPPP) at www.eprocure.gov.in and on GeM. An organisation having its own website should also publish all its advertised tender enquiries on the website.

- (ii) The organisation should also post the complete bidding document in its website and on CPPP to enable prospective bidders to make use of the document by downloading from the web site.
- (iii) The advertisements for invitation of tenders should give the complete web address from where the bidding documents can be downloaded.
- (iv) [Global Tender Enquiry (GTE):
 - (a) Where the Ministry or Department feels that the goods of the required quality, specifications etc., may not be available in the country and it is necessary to also look for suitable competitive offers from abroad, the Ministry or Department may send copies of the tender notice to the Indian Embassies abroad as well as to the Foreign Embassies in India. The selection of embassies will depend on the possibility of availability of the required goods in such countries. In such cases e-procurement as per Rule 160 may not be insisted.
 - (b) No Global Tender Enquiry (GTE), however shall be invited for tenders up to Rs 200 crore or such limit as may be prescribed by the Department of Expenditure from time to time. Provided that for tenders below such limit, in exceptional cases, where the Ministry or Department feels that there are special reasons for GTE, it may record its detailed justification and seek prior approval for relaxation to the above rule from the Competent Authority specified by the Department of

Expenditure.]¹⁸

- (v) In order to promote wider participation and ease of bidding, no cost of tender document may be charged for the tender documents downloaded by the bidders.
- (vi) Ordinarily, the minimum time to be allowed for submission of bids should be three weeks from the date of publication of the tender notice or availability of the bidding document for sale, whichever is later. Where the Department also contemplates obtaining bids from abroad, the minimum period should be kept as four weeks for both domestic and foreign bidders.

Rule 162 Limited Tender Enquiry

- (i) This method may be adopted when estimated value of the goods to be procured is up to Rupees Twenty five Lakhs. Copies of the bidding document should be sent directly by speed post/registered post/courier/ email to firms which are borne on the list of registered suppliers for the goods in question as referred under Rule 150 above. The number of supplier firms in Limited Tender Enquiry should be more than three. Efforts should be made to identify a higher number of approved suppliers to obtain more responsive bids on competitive basis. Further, an organisation should publish its limited tender enquiries on Central Public Procurement Portal (CPPP) as per Rule 159. Apart from CPPP, the organisations should publish the tender enquiries on the Department's or Ministry's web site.
- (ii) The unsolicited bids should not be accepted. However Ministries/ Departments should evolve a system by which interested firms can register and bid in next round of tendering.
- (iii) Purchase through Limited Tender Enquiry may be adopted even where the estimated value of the procurement is more than Rupees twenty-five Lakhs, in the following circumstances.

¹⁸ Amended vide DoE OM No. F.12/17/2019-PPD dated 15.05.2020.

- (a) The competent authority in the Ministry or Department certifies that the demand is urgent and any additional expenditure involved by not procuring through advertised tender enquiry is justified in view of urgency. The Ministry or Department should also put on record the nature of the urgency and reasons why the procurement could not be anticipated.
- (b) There are sufficient reasons, to be recorded in writing by the competent authority, indicating that it will not be in public interest to procure the goods through advertised tender enquiry.
- (c) The sources of supply are definitely known and possibility of fresh source(s) beyond those being tapped is remote.
- (iv) Sufficient time should be allowed for submission of bids in Limited Tender Enquiry cases.

Rule 163 Two bid system (simultaneous receipt of separate technical and financial bids): For purchasing high value plant, machinery etc. of a complex and technical nature, bids may be obtained in two parts asunder:

- (i) Technical bid consisting of all technical details along with commercial terms and conditions; and
- (ii) Financial bid indicating item-wise price for the items mentioned in the technical bid.

The technical bid and the financial bid should be sealed by the bidder in separate covers duly super-scribed and both these sealed covers are to be put in a bigger cover which should also be sealed and duly super-scribed. The technical bids are to be opened by the purchasing Ministry or Department at the first instance and evaluated by a competent committee or authority. At the second stage financial bids of only these technically acceptable offers should be opened after intimating them the date and time of opening the financial bid for further evaluation and ranking before awarding the contract.

Rule 164 Two-Stage Bidding (Obtain bids in two stages with receipt of financial bids after receipt and evaluation of technical bids)

- (i) Ministry/Department may procure the subject matter of procurement by the method of two-stage bidding, if
 - (a) it is not feasible to formulate detailed specifications or identify specific characteristics for the subject matter of procurement, without receiving inputs regarding its technical aspects from bidders; or
 - (b) the character of the subject matter of procurement is subject to rapid technological advances or market fluctuations or both; or
 - (c) Ministry/Department seeks to enter into a contract for the purpose of research, experiment, study or development, except where the contract includes the production of items in quantities sufficient to establish their commercial viability or to recover research and development costs; or
 - (d) The bidder is expected to carry out a detailed survey or investigation and undertake a comprehensive assessment of risks, costs and obligations associated with the particular procurement.
- (ii) The procedure for two stage bidding shall include the following, namely:—
 - (a) in the first stage of the bidding process, the Ministry/Department shall invite bids through advertised tender containing the technical aspects and contractual terms and conditions of the proposed procurement without a bid price;
 - (b) all first stage bids, which are otherwise eligible, shall be evaluated through an appropriate committee constituted by the Ministry/ Department;
 - (c) the committee may hold discussions with the bidders and if any such discussion is held, equal opportunity shall be given to all bidders to

- (d) participate in the discussions; in revising the relevant terms and conditions of the procurement, the procuring entity shall not modify the fundamental nature of the procurement itself, but may add, amend or omit any specification of the subject matter of procurement or criterion for evaluation;
- (e) in the second stage of the bidding process, the procuring entity shall invite bids from all those bidders whose bids at the first stage were not rejected, to present final bid with bid prices in response to a revised set of terms and conditions of the procurement;
- (f) any bidder, invited to bid but not in a position to supply the subject matter of procurement due to modification in the specifications or terms and conditions, may withdraw from the bidding proceedings without forfeiting any bid security that he may have been required to provide or being penalised in any way, by declaring his intention to withdraw from the procurement proceedings with adequate justification.

Rule 165 Late Bids. In the case of advertised tender enquiry or limited tender enquiry, late bids (i.e. bids received after the specified date and time for receipt of bids) should not be considered.

Rule 166 Single Tender Enquiry. Procurement from a single source may be resorted to in the following circumstances :

- (i) It is in the knowledge of the user department that only a particular firm is the manufacturer of the required goods
- (ii) In a case of emergency, the required goods are necessarily to be purchased from a particular source and the reason for such decision is to be recorded and approval of competent authority obtained.
- (iii) For standardisation of machinery or spare parts to be compatible to the existing sets of equipment (on the advice of a competent technical expert and approved by

the competent authority), the required item is to be purchased only from a selected firm

Note: Proprietary Article Certificate in the following form is to be provided by the Ministry/Department before procuring the goods from a single source under the provision of sub Rule 166 (i) and 166 (iii) as applicable.

- (i) The indented goods are manufactured by M/s
- (ii) No other make or model is acceptable for the following reasons:
.....
- (iii) Concurrence of finance wing to the proposal
vide:.....
- (iv) Approval of the competent authority vide:
(Signature with date and designation of the indenting officer)

Rule 167

Electronic Reverse Auction

- (i) Electronic Reverse Auction means an online real-time purchasing technique utilised by the procuring entity to select the successful bid, which involves presentation by bidders of successively more favourable bids during a scheduled period of time and automatic evaluation of bids;
- (ii) A procuring entity may choose to procure a subject matter of procurement by the electronic reverse auction method, if:
 - (a) It is feasible for the procuring entity to formulate a detailed description of the subject matter of the procurement;
 - (b) There is a competitive market of bidders anticipated to be qualified to participate in the electronic reverse auction, so that effective competition is ensured;
 - (c) The criteria to be used by the procuring entity in determining the successful bid are quantifiable and can be expressed in monetary terms; and
- (iii) The procedure for electronic reverse auction shall include the following, namely:
 - (a) The procuring entity shall solicit bids through an invitation to the electronic reverse auction to be

published or communicated in accordance with the provisions similar to e-procurement; and

- (b) The invitation shall, in addition to the information as specified in e-procurement, include details relating to access to and registration for the auction, opening and closing of the auction and Norms for conduct of the auction.

Rule 168 Contents of Bidding Document

All the terms, conditions, stipulations and information to be incorporated in the bidding document are to be shown in the appropriate chapters as below:-

- Chapter - 1: Instructions to Bidders.
Chapter - 2: Conditions of Contract.
Chapter - 3: Schedule of Requirements.
Chapter-4: Specifications and allied Technical Details.
Chapter - 5: Price Schedule (to be utilised by the bidders for quoting their prices).
Chapter - 6: Contract Form.
Chapter-7: Other Standard Forms, if any, to be utilised by the purchaser and the bidders.

- Rule 169 Maintenance Contract.** Depending on the cost and nature of the goods to be purchased, it may also be necessary to enter into maintenance contract(s) of suitable period either with the supplier of the goods or with any other competent firm, not necessarily the supplier of the subject goods. Such maintenance contracts are especially needed for sophisticated and costly equipment and machinery. It may, however, be kept in mind that the equipment or machinery is maintained free of charge by the supplier during its warranty period or such other extended periods as the contract terms may provide and the paid maintenance should commence only thereafter.

Rule 170 Bid Security

- (i) To safeguard against a bidder's withdrawing or altering its bid during the bid validity period in the case of advertised or limited tender enquiry, Bid Security (also known as Earnest Money) is to be obtained from the bidders except Micro and Small Enterprises (MSEs) as defined in MSE Procurement Policy issued by Department of Micro, Small and Medium Enterprises (MSME) or are registered with the Central

Purchase Organisation or the concerned Ministry or Department [or Startups as recognized by Department for Promotion of Industry and Internal Trade (DPIIT)]¹⁹. The bidders should be asked to furnish bid security along with their bids. Amount of bid security should ordinarily range between two percent to five percent of the estimated value of the goods to be procured. The amount of bid security should be determined accordingly by the Ministry or Department and indicated in the bidding documents. The bid security may be accepted in the form of [Insurance Surety Bonds]²⁰, Account Payee Demand Draft, Fixed Deposit Receipt, Banker's Cheque or Bank Guarantee (including e- Bank Guarantee)²¹ from any of the Commercial Banks or payment online in an acceptable form, safeguarding the purchaser's interest in all respects. The bid security is normally to remain valid for a period of forty-five days beyond the final bid validity period.

(ii) Bid securities of the unsuccessful bidders should be returned to them at the earliest after expiry of the final bid validity and latest on or before the 30th day after the award of the contract. However, in case of two packet or two stage bidding, Bid securities of unsuccessful bidders during first stage i.e. technical evaluation etc should be returned within 30 days of declaration of results of first stage i.e. technical evaluation etc.²²

(iii) In place of a Bid security, the Ministries/ Departments may require Bidders to sign a Bid securing declaration accepting that if they withdraw or modify their Bids during the period of validity, or if they are awarded the contract and they fail to sign the contract, or to submit a performance security before the deadline defined in the request for bids document, they will be suspended for the period of

¹⁹ Inserted vide DoE OM No. F.20/2/2014-PPD(Pt.) dated 25.07.2017.

²⁰ Inserted vide DoE OM No. F.1/1/2022-PPD dated 02.02.2022.

²¹ Inserted vide DoE OM No. F.1/4/2022-PPD dated 05.08.2022.

²² Amended vide DoE OM No. F.1/2/2022-PPD dated 01.04.2022.

time specified in the request for bids document from being eligible to submit Bids for contracts with the entity that invited the Bids.

Rule 171 Performance Security

- (i) To ensure due performance of the contract, Performance Security is to be obtained from the successful bidder awarded the contract. Unlike contracts of Works and Plants, in case of contracts for goods, the need for the Performance Security depends on the market conditions and commercial practice for the particular kind of goods. Performance Security should be for an amount of [three to ten per cent (3-10%)]²³, of the value of the contract as specified in the bid documents. Performance Security may be furnished in the form of [Insurance Surety Bonds]²⁴, Account Payee Demand Draft, Fixed Deposit Receipt from a Commercial bank, Bank Guarantee (including e- Bank Guarantee)²⁵ from a Commercial bank or online payment in an acceptable form safeguarding the purchaser's interest in all respects.
- (ii) Performance Security should remain valid for a period of sixty days beyond the date of completion of all contractual obligations of the supplier including warranty obligations.
- (iii) Bid security should be refunded to the successful bidder on receipt of Performance Security.

Rule 172 (1) Advance payment to supplier.

Ordinarily, payments for services rendered or supplies made should be released only after the services have been rendered or supplies made. However, it may become necessary to make advance payments for example in the following types of cases :-

- (i) Advance payment demanded by firms holding maintenance contracts for servicing of Air-conditioners, computers, other costly equipment, etc.
- (ii) Advance payment demanded by firms against fabrication contracts, turn-key contracts etc.
- Such advance payments should

not exceed the following limits:

- (a) Thirty percent. of the contract value to private firms;
- (b) Forty percent. of the contract value to a State or Central Government agency or a Public Sector Undertaking; or
- (c) in case of maintenance contract, the amount should not exceed the amount payable for six months under the contract.

Ministries or Departments of the Central Government may relax, in consultation with their Financial Advisers concerned, the ceilings (including percentage laid down for advance payment for private firms) mentioned above. While making any advance payment as above, adequate safeguards in the form of bank guarantee etc. should be obtained from the firm.

Rule 172 (2) Part payment to suppliers: Depending on the terms of delivery incorporated in a contract, part payment to the supplier may be released after it dispatches the goods from its premises in terms of the contract.

Rule 173 Transparency, competition, fairness and elimination of arbitrariness in the procurement process. All government purchases should be made in a transparent, competitive and fair manner, to secure best value for money. This will also enable the prospective bidders to formulate and send their competitive bids with confidence. Some of the measures for ensuring the above are as follows:-

- (i) the text of the bidding document should be self-contained and comprehensive without any ambiguities. All essential information, which a bidder needs for sending responsive bid, should be clearly spelt out in the bidding document in simple language. The condition of prior turnover and prior experience may be relaxed for Startups (as defined by Department for Promotion of Industry and Internal Trade) subject to meeting of quality & technical specifications and making suitable provisions in the bidding document. The bidding document should contain, inter alia.
- (a) Description and Specifications

²³ Inserted vide DoE OM No. F.1/2/2023-PPD dated 03.04.2023.

²⁴ Inserted vide DoE OM No. F.1/1/2022-PPD dated 02.02.2022.

²⁵ Inserted vide DoE OM No. F.1/4/2022-PPD dated 05.08.2022.



- i) **Up to Rs.50,000/-** (Rupees Fifty thousand) through any of the available suppliers on the GeM, meeting the requisite quality, specification and delivery period;
- ii) **Above Rs.50,000/-** (Rupees Fifty thousand) and **up to Rs.30,00,000/-** (Rupees thirty lakh) through the GeM Seller having lowest price amongst the available sellers, 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 Buyer if decided by the competent authority;
- iii) **Above Rs.30,00,000/-** (Rupees Thirty Lakh) 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;
- iv) The invitation for the online e-bidding/reverse auction will be available to all the existing Sellers or other Sellers registered on the portal and who have offered their goods/services under the particular product/service category, as per terms and conditions of GeM;
- v) The above mentioned monetary ceiling is applicable only for purchases made through GeM. For purchases, if any, outside GeM, relevant GFR Rules shall apply;
- vi) The Ministries/Departments shall work out their procurement requirements of Goods and Services on either "OPEX" model or "CAPEX" model as per their requirement/suitability at the time of preparation of Budget Estimates (BE) and shall project their Annual Procurement Plan of goods and services on GeM portal within 30 (thirty) days of Budget approval;
- vii) The Government Buyers may ascertain the reasonableness of prices before placement of order using the Business Analytics (BA) tools available on GeM including the Last Purchase Price on GeM, Department's own Last Purchase Price; etc.
- viii) A demand for goods shall not be divided into small quantities to make piecemeal purchases to avoid procurement through L-1 Buying/bidding/reverse auction on GeM or the necessity of obtaining the sanction of higher authorities required with reference to the estimated value of the total demand.

It may be noted that unlike Rate Contracts, the responsibility of reasonableness of rate for procurements from GeM portal does not lie with DGS&D. It is the responsibility of the Procuring Entity to do due diligence for ensuring reasonableness of rates.

4.17.6 Pilot Phase of GeM: DGS&D has developed a pilot phase of GeM and products like Computers, Laptops, Tablets, All-in-One Computers, UPS, Digital Copiers, Multi-functional Machines, Packaged Drinking Water, Office Stationary Products etc. and service of transport hiring and leasing have been made available for procurement.

4.17.7 Full Fledge Version of GeM: DGS&D will develop and launch the full-fledged GeM in 2017-18.

4.17.8 GeM Portal: <https://gem.gov.in>. Detailed instructions for user organization registration, supplier registration, listing of products, terms and conditions, online bidding, reverse auction, demand aggregation, call centre, etc. are available on this portal.



4.17.9 **Payment Procedure in GeM:** The payment procedure in GeM is governed by O.M. No. F.26/4/2016-PPD dated 26th May, 2016 issued by D/o. Expenditure, M/o. Finance, New Delhi. The salient feature of this O.M. is that it is obligatory to make payments without any delay for purchases made on GeM. The consignee is required to issue an online digitally signed consignee receipt and acceptance certificate after receipt of goods within ten days. Thereafter, the payments are to be released maximum within ten days. The timelines after Consignee Receipt and Acceptance Certificate (CRAC) issued online and digitally signed by consignee will be two (2) working days for Buyer, one (1) working day for concerned DDO and two (2) working days for concerned PAO for triggering payment through PFMS/Government Financial System/Banks for crediting to the supplier's account. Any matter needing a resolution will be escalated to the next higher level in each agency (Buyer, DDO and PAO) where the matter should be resolved within 24 (Twenty-Four) hours in the entire process, payments should not exceed ten days including holidays.

4.17.10 DGS&D should strive to bring more and more products and services on GeM to facilitate Govt. Buyers.

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 2 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:

S.No.	Existing Provisions of GFRs, 2017	Amended Rule
1.	<p>Rule 147: Powers for procurement of goods:</p> <p>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.</p>	<p>Rule 147: Powers for procurement of goods:</p> <p>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.</p>
2.	<p>Rule 149 Government e-Marketplace (GeM):</p> <p>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</p>	<p>Rule 149 Government e-Marketplace (GeM):</p> <p>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</p>

Ram Mohan

S.No.	Existing Provisions of GFRs, 2017	Amended Rule
	<p>advertisement of the items to 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&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:</p> <p>(i) Up to Rs.50,000/- through any of the available suppliers on the GeM, meeting the requisite quality, specification and delivery period.</p> <p>(ii) Above Rs.50,000/- and up to Rs.30,00,000/- through the GeM Seller having lowest price amongst the available sellers, 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 Buyer if decided by the competent authority.</p> <p>(iii) Above Rs.30,00,000/- 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.</p>	<p>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. <i>The credentials of suppliers on GeM shall be certified by GeM SPV. The procuring authorities will certify the reasonability of rates.</i> The GeM portal shall be utilized by the Government buyers for direct on-line purchases as under:</p> <p>(i) Up to Rs.25,000 through any of the available suppliers on the GeM, meeting the requisite quality, specification and delivery period.</p> <p>(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.</p> <p>(iii) Above Rs.5,00,000 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).</p> <p>Note: There is no change in clauses (iv) to (viii).</p>

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S.No.	Existing Provisions of GFRs, 2017	Amended Rule
3.	Rule 150: Registration of Suppliers.	Rule 150: Registration of Suppliers:
	<p>(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.</p> <p>(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.</p>	<p>(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.</p> <p>(v) The list of registered suppliers for the subject matter of procurement be exhibited on websites of the Procuring Entity/ e-Procurement portals.</p> <p>Note: There is no change in clauses (ii) to (iv).</p>
4.	Rule 155: Purchase of goods by Purchase Committee;	Rule 155: Purchase of goods by Purchase Committee:
	<p>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</p>	<p><i>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</i></p>



S.No.	Existing Provisions of GFRs, 2017	Amended Rule
	<p>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:</p> <p>"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."</p>	<p>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:</p> <p>"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."</p>
5.	<p>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.</p>	<p>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.</p>

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.

K. K. S. S.

4. Hindi version of this OM will follow.

K. Narayana Reddy 2/14/2019
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To

- (i) Secretaries to All Central Government Ministries/ Departments
- (ii) Financial Advisors of All Central Government Ministries/ Departments