

No. P-45021/2/2017-PP (BE-II)-Part(4)Vol.II
Government of India
Ministry of Commerce and Industry
Department for Promotion of Industry and Internal Trade
(Public Procurement Section)

Vanijya Bhawan, New Delhi
Dated: 19 July, 2024

To

All Central Ministries/Departments/CPSUs/All concerned

ORDER

Subject: Public Procurement (Preference to Make in India), Order 2017-Revision; regarding.

Department for Promotion of Industry and Internal Trade, in partial modification [Paras 2, 3, 5, 10 & 13] of Order No.P-45021/2/2017-B.E.-II dated 15.6.2017 as amended by Order No.P-45021/2/2017-B.E.-II dated 28.05.2018, Order No.P-45021/2/2017-B.E.-II dated 29.05.2019, Order No.P-45021/2/2017-B.E.-II dated 04.06.2020 and Order No.P-45021/2/2017-B.E.-II dated 16.09.2020 hereby issues the revised 'Public Procurement (Preference to Make in India), Order 2017' dated 19.07.2024 effective with immediate effect.

Whereas it is the policy of the Government of India to encourage 'Make in India' and promote manufacturing and production of goods and services in India with a view to enhancing income and employment, and

Whereas procurement by the Government is substantial in amount and can contribute towards this policy objective, and

Whereas local content can be increased through partnerships, cooperation with local companies, establishing production units in India or Joint Ventures (JV) with Indian suppliers, increasing the participation of local employees in services and training them,

Now therefore the following Order is issued:

1. This Order is issued pursuant to Rule 153 (iii) of the General Financial Rules 2017.
2. **Definitions:** For the purposes of this Order:
'Local content' means the amount of value added in India which shall, unless otherwise prescribed by the Nodal Ministry, be the total value of the item procured (excluding net domestic indirect taxes) minus the value of imported content in the item (including all customs duties) as a proportion of the total value, in percent.

Explanatory notes for calculation of local content given above

- a. Imported items sourced locally from resellers/distributors shall be excluded from calculation of local content.
- b. The license fees/royalties paid/ technical charges paid out of India shall be excluded from local content calculation.



- c. Procurement/Supply of repackaged/refurbished/rebranded imported products as understood commonly shall be treated as reselling of imported products and shall be excluded from calculation of local content. The definition of repackaged/refurbished/rebranded imported products is as follows;

'Refurbishing' means repair or reconditioning of an imported product does not amount to manufacture because no new goods come into existence.

'Repackaging' means repacking of imported goods from bulk pack to smaller packs would not ordinarily amount to manufacture of a new item.

'Rebranding' means relabeling or renaming or change in symbol or logo/makes or corporate image of a company/organization/ firm for an imported product would amount to rebranding.

- d. To ensure that imported items sourced locally from resellers/distributors are excluded from calculation of local content, procuring entities to obtain from bidders, the cost of such locally-sourced imported items (Inclusive of taxes) along with break-up on license/royalties paid/technical expertise cost etc. sourced from outside India. For items sold by bidder as reseller, OEM certificate for country of origin to be submitted.
- e. For contracts involving supply of multiple items, weighted average of all items to be taken while calculating the local content.

'Class-I local supplier' means a supplier or service provider, whose goods, services or works offered for procurement, meets the minimum local content as prescribed for 'Class-I local supplier' under this Order.

'Class-II local supplier' means a supplier or service provider, whose goods, services or works offered for procurement, meets the minimum local content as prescribed for 'Class-II local supplier' but less than that prescribed for 'Class-I local supplier' under this Order.

'Non - Local supplier' means a supplier or service provider, whose goods, services or works offered for procurement, has local content less than that prescribed for 'Class-II local supplier' under this Order.

'L1' means the lowest tender or lowest bid or the lowest quotation received in a tender, bidding process or other procurement solicitation as adjudged in the evaluation process as per the tender or other procurement solicitation.

'Margin of purchase preference' means the maximum extent to which the price quoted by a "Class-I local supplier" may be above the L1 for the purpose of purchase preference.

'Nodal Ministry' means the Ministry or Department identified pursuant to this order in respect of a particular item of goods or services or works.

'Procuring entity' means a Ministry or department or attached or subordinate office of, or autonomous body controlled by, the Government of India and includes Government companies as defined in the Companies Act.

'Works' means all works as per Rule 130 of GFR- 2017, and will also include 'turnkey works'.

2A. Special treatment for items covered under PLI Scheme

The manufacturers manufacturing an item under PLI scheme shall be treated as deemed Class II local supplier for that item unless they have minimum local content equal to or higher than that notified for Class-I local supplier for that item, provided the manufacturer has received incentive from the concerned PLI Ministry for the item. The above shall be applicable for the specific time period only, as notified by concerned PLI Ministry.

3. Eligibility of 'Class-I local supplier'/ 'Class-II local supplier'/ 'Non-local suppliers' for different types of procurement

(a) In procurement of all goods, services or works in respect of which the Nodal Ministry / Department has communicated that there is sufficient local capacity and local competition, only 'Class-I local supplier', as defined under the Order, shall be eligible to bid irrespective of purchase value.

(b) Only 'Class-I local supplier' and 'Class-II local supplier', as defined under the Order, shall be eligible to bid in procurement undertaken by procuring entities, except when Global tender enquiry has been issued. In global tender enquiries, 'Non-local suppliers' shall also be eligible to bid along with 'Class-I local suppliers' and 'Class-II local suppliers'. In procurement of all goods, services or works, not covered by sub-para 3(a) above, and with estimated value of purchases less than Rs. 200 Crore, in accordance with Rule 161(iv) of GFR, 2017, Global tender enquiry shall not be issued except with the approval of competent authority as designated by Department of Expenditure.

(c) For the purpose of this Order, works includes Engineering, Procurement and Construction (EPC) contracts and services include System Integrator (SI) contracts.

3.1 Mandatory sourcing of items, with sufficient local capacity and competition, from Class-I local suppliers in SI/EPC/Turnkey Contracts/Service Tenders

- a. The items, notified as having sufficient local capacity and competition, shall mandatory be sourced from Class-I local suppliers in SI/EPC/Turnkey Contracts/ Services tenders. This provision will be applicable only for those items which have been notified by the Nodal Ministry as Class I i.e. having sufficient local capacity and competition, with specific HSN codes."
- b. Notwithstanding above, if in any project, it is considered that it is not practically feasible to source such items from Class I local suppliers, it may take relaxation from such stipulation with the approval of Secretary of the administrative Ministry/ Department concerned or with the approval of the Competent Authority specified by the Administrative Ministry/Department, on case-specific basis.

3A. Purchase Preference

(a) Subject to the provisions of this Order and to any specific instructions issued by the Nodal Ministry or in pursuance of this Order, purchase preference shall be given to 'Class-I local supplier' in procurement undertaken by procuring entities in the manner specified here under.

(b) In the procurement of goods or works, which are covered by para 3(b)

above and which are divisible in nature, the 'Class-I local supplier' shall get purchase preference over 'Class-II local supplier' as well as 'Non-local supplier', as per following procedure:

- i. Among all qualified bids, the lowest bid will be termed as L1. If L1 is 'Class-I local supplier', the contract for full quantity will be awarded to L1.
 - ii. If L1 bid is not a 'Class-I local supplier', 50% of the order quantity shall be awarded to L1. Thereafter, the lowest bidder among the 'Class-I local supplier' will be invited to match the L1 price for the remaining 50% quantity subject to the Class-I local supplier's quoted price falling within the margin of purchase preference, and contract for that quantity shall be awarded to such 'Class-I local supplier' subject to matching the L1 price. In case such lowest eligible 'Class-I local supplier' fails to match the L1 price or accepts less than the offered quantity, the next higher 'Class-I local supplier' within the margin of purchase preference shall be invited to match the L1 price for remaining quantity and so on, and contract shall be awarded accordingly. In case some quantity is still left uncovered on Class-I local suppliers, then such balance quantity may also be ordered on the L1 bidder.
- (c) In the procurement of goods or works, which are covered by para 3(b) above and which are not divisible in nature, and in procurement of services where the bid is evaluated on price alone, the 'Class-I local supplier' shall get purchase preference over 'Class-II local supplier' as well as 'Non-local supplier', as per following procedure:
- i. Among all qualified bids, the lowest bid will be termed as L1. If L1 is Class -I local supplier', the contract will be awarded to L1.
 - ii. If L1 is not 'Class-I local supplier', the lowest bidder among the 'Class-I local supplier', will be invited to match the L1 price subject to Class-I local supplier's quoted price falling within the margin of purchase preference, and the contract shall be awarded to such 'Class-I local supplier' subject to matching the L1 price.
 - iii. In case such lowest eligible 'Class-I local supplier' fails to match the L1 price, the 'Class-I local supplier' with the next higher bid within the margin of purchase preference shall be invited to match the L1 price and so on and contract shall be awarded accordingly. In case none of the 'Class-I local supplier' within the margin of purchase preference matches the L1 price, the contract may be awarded to the L1 bidder.
- (d) "Class-II local supplier" will not get purchase preference in any procurement, undertaken by procuring entities.

3B. Applicability in tenders where contract is to be awarded to multiple bidders- In tenders where contract is awarded to multiple bidders subject to matching of L1 rates or otherwise, the 'Class-I local supplier' shall get purchase preference over 'Class-II local supplier' as well as 'Non-local supplier', as per following procedure:

- a. In case there is sufficient local capacity and competition for the item to be procured, as notified by the nodal Ministry, only Class I local suppliers shall be eligible to bid. As such, the multiple suppliers, who would be awarded the contract, should be all and only 'Class I Local suppliers'.
- b. In other cases, 'Class II local suppliers' and 'Non local suppliers' may also participate in the bidding process along with 'Class I Local suppliers' as per provisions of this Order.
- c. If 'Class I Local suppliers' qualify for award of contract for at least

50% of the tendered quantity in any tender, the contract may be awarded to all the qualified bidders as per award criteria stipulated in the bid documents. However, in case 'Class I Local suppliers' do not qualify for award of contract for at least 50% of the tendered quantity, purchase preference should be given to the 'Class I local supplier' over 'Class II local suppliers'/ 'Non local suppliers' provided that their quoted rate falls within 20% margin of purchase preference of the highest quoted bidder considered for award of contract so as to ensure that the 'Class I Local suppliers' taken in totality are considered for award of contract for at least 50% of the tendered quantity.

- d. First purchase preference has to be given to the lowest quoting 'Class-I local supplier', whose quoted rates fall within 20% margin of purchase preference, subject to its meeting the prescribed criteria for award of contract as also the constraint of maximum quantity that can be sourced from any single supplier. If the lowest quoting 'Class-I local supplier', does not qualify for purchase preference because of aforesaid constraints or does not accept the offered quantity, an opportunity may be given to next higher 'Class-I local supplier', falling within 20% margin of purchase preference, and so on.
 - e. To avoid any ambiguity during bid evaluation process, the procuring entities may stipulate its own tender specific criteria for award of contract amongst different bidders including the procedure for purchase preference to 'Class-I local supplier' within the broad policy guidelines stipulated in sub- paras above.
4. **Exemption of small purchases:** Notwithstanding anything contained in paragraph 3, procurement where the estimated value to be procured is less than Rs. 5 lakhs shall be exempt from this Order. However, it shall be ensured by procuring entities that procurement is not split for the purpose of avoiding the provisions of this Order.

4A. Exemption in sourcing of spares and consumables of closed systems:

Procurement of spare parts, consumables for closed systems and Maintenance/ Service contracts with Original Equipment Manufacturer/Original Equipment Supplier/Original Part Manufacturer shall be exempted from this Order.

5. **Minimum local content:** The 'local content' requirement to categorize a supplier as 'Class-I local supplier' is minimum 50%. For 'Class-II local supplier', the 'local content' requirement is minimum 20%. Nodal Ministry/ Department may prescribe only a higher percentage of minimum local content requirement to categorize a supplier as 'Class-I local supplier'/ 'Class- II local supplier'. For the items, for which Nodal Ministry/ Department has not prescribed higher minimum local content notification under the Order, it shall be 50% and 20% for 'Class-I local supplier'/ 'Class-II local supplier' respectively.
6. **Margin of Purchase Preference:** The margin of purchase preference shall be 20%.
7. **Requirement for specification in advance:** The minimum local content, the margin of purchase preference and the procedure for preference to Make in India shall be specified in the notice inviting tenders or other form of procurement solicitation and shall not be varied during a particular procurement transaction.
8. **Government E-marketplace:** In respect of procurement through the Government E-marketplace (GeM) shall, as far as possible, specifically mark the items which meet the minimum local content while registering the item for

display, and shall, wherever feasible, make provision for automated comparison with purchase preference and without purchase preference and for obtaining consent of the local supplier in those cases where purchase preference is to be exercised.

9. Verification of local content:

- a. The 'Class-I local supplier'/ 'Class-II local supplier' at the time of tender, bidding or solicitation shall be required to indicate percentage of local content and provide self-certification that the item offered meets the local content requirement for 'Class-I local supplier'/ 'Class-II local supplier', as the case may be. They shall also give details of the location(s) at which the local value addition is made.
- b. In cases of procurement for a value in excess of Rs. 10 crores, the 'Class-I local supplier'/ 'Class-II local supplier' shall be required to provide a certificate from the statutory auditor or cost auditor of the company (in the case of companies) or from a practicing cost accountant or practicing chartered accountant (in respect of suppliers other than companies) giving the percentage of local content.
- c. The bidder shall give self-certification for local content in the quoted item (goods/works/services) at the time of tendering. However, at the time of execution of the project, for all contracts above INR 10 Crore, the contractor/ supplier shall be required to give local content certification duly certified by cost/ chartered accountant in practice. For cases where it is not possible to provide certification by Cost/Chartered Accountant at the time of execution of project, the supplier shall be permitted to provide the certificate for local content from Cost/ Chartered Accountant after completion of the contract, within time limit acceptable to the procuring entity. In case the contractor/ supplier does not meet the stipulated local content requirement and the category of the supplier changes from Class-I to Class-II/ Non-local or from Class-II to Non-local, a penalty upto 10% of the contract value may be imposed. However, contract once awarded shall not be terminated on this account.
- d. Decisions on complaints relating to implementation of this Order shall be taken by the competent authority which is empowered to look into procurement-related complaints relating to the procuring entity.
- e. Nodal Ministries may constitute committees with internal and external experts for independent verification of self-declarations and auditor's/ accountant's certificates on random basis and in the case of complaints.
- f. Nodal Ministries and procuring entities may prescribe fees for such complaints.
- g. False declarations will be in breach of the Code of Integrity under Rule 175(1)(i)(h) of the General Financial Rules for which a bidder or its successors can be debarred for up to two years as per Rule 151 (iii) of the General Financial Rules along with such other actions as may be permissible under law.
- h. A supplier who has been debarred by any procuring entity for violation of this Order shall not be eligible for preference under this Order for procurement by any other procuring entity for the duration of the debarment. The debarment for such other procuring entities shall take effect prospectively from the date on which it comes to the notice of other procurement entities, in the manner prescribed under paragraph 9

i below.

- i. The Department of Expenditure shall issue suitable instructions for the effective and smooth operation of this process, so that:
 - i. The fact and duration of debarment for violation of this Order by any procuring entity are promptly brought to the notice of the Member-Convenor of the Standing Committee and the Department of Expenditure through the concerned Ministry /Department or in some other manner;
 - ii. On a periodical basis such cases are consolidated and a centralized list or decentralized lists of such suppliers with the period of debarment is maintained and displayed on website(s);
 - iii. In respect of procuring entities other than the one which has carried out the debarment, the debarment takes effect prospectively from the date of uploading on the website(s) in the such a manner that ongoing procurement are not disrupted.

10. Specifications in Tenders and other procurement solicitations:

- a. Every procuring entity shall ensure that the eligibility conditions in respect of previous experience fixed in any tender or solicitation do not require proof of supply in other countries or proof of exports.
- b. Procuring entities shall endeavour to see that eligibility conditions, including on matters like turnover, production capability and financial strength do not result in unreasonable exclusion of 'Class-I local supplier'/ 'Class-II local supplier' who would otherwise be eligible, beyond what is essential for ensuring quality or creditworthiness of the supplier.
- c. Procuring entities shall, within 2 months of the issue of this Order review all existing eligibility norms and conditions with reference to sub-paragraphs 'a' and 'b' above.

d. Reciprocity Clause

- i. When a Nodal Ministry/Department identifies that Indian suppliers of an item are not allowed to participate and/ or compete in procurement by any foreign government, due to restrictive tender conditions which have direct or indirect effect of barring Indian companies such as registration in the procuring country, execution of projects of specific value in the procuring country etc., it shall provide such details to all its procuring entities including CMDs/CEOs of PSEs/PSUs, State Governments and other procurement agencies under their administrative control and GeM for appropriate reciprocal action.
 - ii. Entities of countries which have been identified by the nodal Ministry/Department as not allowing Indian companies to participate in their Government procurement for any item related to that nodal Ministry shall not be allowed to participate in Government procurement in India for all items related to that nodal Ministry/ Department, except for the list of items published by the Ministry/ Department permitting their participation.
 - iii. The stipulation in (ii) above shall be part of all tenders invited by the Central Government procuring entities stated in (i) above. All purchases on GeM shall also necessarily have the above provisions for items identified by nodal Ministry/ Department.
 - iv. State Governments should be encouraged to incorporate similar provisions in their respective tenders.
 - v. The term 'entity' of a country shall have the same meaning as under the FDI Policy of DPIIT as amended from time to time.
- e. Specifying foreign certifications/ unreasonable technical specifications/

brands/ models in the bid document is restrictive and discriminatory practice against local suppliers. If foreign certification is required to be stipulated because of non-availability of Indian Standards and/or for any other reason, the same shall be done only after written approval of Secretary of the Department concerned or any other Authority having been designated such power by the Secretary of the Department concerned.

- f. "All administrative Ministries/Departments whose procurement exceeds Rs. 1000 Crore per annum shall notify/update their procurement projections every year, including those of the PSEs/PSUs, for the next 5 years on their respective website."

10A. Action for non-compliance of the Provisions of the Order: In case restrictive or discriminatory conditions against domestic suppliers are included in bid documents, an inquiry shall be conducted by the Administrative Department undertaking the procurement (including procurement by any entity under its administrative control) to fix responsibility for the same. Thereafter, appropriate action, administrative or otherwise, shall be taken against erring officials of procurement entities under relevant provisions. Intimation on all such actions shall be sent to the Standing Committee.

11. **Assessment of supply base by Nodal Ministries:** The Nodal Ministry shall keep in view the domestic manufacturing / supply base and assess the available capacity and the extent of local competition while identifying items and prescribing the higher minimum local content or the manner of its calculation, with a view to avoiding cost increase from the operation of this Order.
12. **Increase in minimum local content:** The Nodal Ministry may annually review the local content requirements with a view to increasing them, subject to availability of sufficient local competition with adequate quality.
13. **Manufacture under license/ technology collaboration agreements with phased indigenization:** While notifying the minimum local content, Nodal Ministries may make special provisions for exempting suppliers from meeting the stipulated local content if the product is being manufactured in India under a license from a foreign manufacturer who holds intellectual property rights and where there is a technology collaboration agreement / transfer of technology agreement for indigenous manufacture of a product developed abroad with clear phasing of increase in local content.

13A. In procurement of all goods, services or works in respect of which there is substantial quantity of public procurement and for which the nodal ministry has not notified that there is sufficient local capacity and local competition, the concerned nodal ministry shall notify an upper threshold value of procurement beyond which foreign companies shall enter into a joint venture with an Indian company to participate in the tender. Procuring entities, while procuring such items beyond the notified threshold value, shall prescribe in their respective tenders that foreign companies may enter into a joint venture with an Indian company to participate in the tender. The procuring Ministries/Departments shall also make special provisions for exempting such joint ventures from meeting the stipulated minimum local content requirement, which shall be increased in a phased manner.

14. **Powers to grant exemption and to reduce minimum local content:** The administrative Department undertaking the procurement (including

procurement by any entity under its administrative control), with the approval of their Minister-in-charge, may by written order, for reasons to be recorded in writing,

- a. reduce the minimum local content below the prescribed level; or
- b. reduce the margin of purchase preference below 20%; or
- c. exempt any particular item or supplying entities from the operation of this Order or any part of the Order.

The Administrative Department, while seeking exemption under this para, shall certify that such an item(s) has not been notified by Nodal Ministry/ Department concerned under para 3 (a) of the Order.

A copy of every such order shall be provided to the Standing Committee and concerned Nodal Ministry / Department. The Nodal Ministry / Department concerned will continue to have the power to vary its notification on Minimum Local Content.

15. **Directions to Government companies:** In respect of Government companies and other procuring entities not governed by the General Financial Rules, the administrative Ministry or Department shall issue policy directions requiring compliance with this Order.
16. **Standing Committee:** A standing committee is hereby constituted with the following membership:
Secretary, Department for Promotion of Industry and Internal Trade - Chairman
Secretary, Commerce—Member
Secretary, Ministry of Electronics and Information Technology—Member Joint
Secretary (Public Procurement), Department of Expenditure—Member Joint
Secretary (DPIIT)—Member-Convenor

The Secretary of the Department concerned with a particular item shall be a member in respect of issues relating to such item. The Chairman of the Committee may co-opt technical experts as relevant to any issue or class of issues under its consideration.

17. **Functions of the Standing Committee:** The Standing Committee shall meet as often as necessary, but not less than once in six months. The Committee
 - a. shall oversee the implementation of this order and issues arising therefrom, and make recommendations to Nodal Ministries and procuring entities.
 - b. shall annually assess and periodically monitor compliance with this Order
 - c. shall identify Nodal Ministries and the allocation of items among them for issue of notifications on minimum local content
 - d. may require furnishing of details or returns regarding compliance with this Order and related matters
 - e. may, during the annual review or otherwise, assess issues, if any, where it is felt that the manner of implementation of the order results in any restrictive practices, cartelization or increase in public expenditure and suggest remedial measures
 - f. may examine cases covered by paragraph 13 above relating to manufacture under license/ technology transfer agreements with a view to satisfying itself that adequate mechanisms exist for enforcement of such agreements and for attaining the underlying objective of progressive indigenization

- g. may consider any other issue relating to this Order which may arise.
18. **Removal of difficulties:** Ministries /Departments and the Boards of Directors of Government companies may issue such clarifications and instructions as may be necessary for the removal of any difficulties arising in the implementation of this Order.
19. **Ministries having existing policies:** Where any Ministry or Department has its own policy for preference to local content approved by the Cabinet after 1st January 2015, such policies will prevail over the provisions of this Order. All other existing orders on preference to local content shall be reviewed by the Nodal Ministries and revised as needed to conform to this Order, within two months of the issue of this Order.
20. **Transitional provision:** This Order shall not apply to any tender or procurement for which notice inviting tender or other form of procurement solicitation has been issued before the issue of this Order.



(Himani Pande)

Additional Secretary to the Government of India

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No.F.20/38/2020-PPD
Government of India
Ministry of Finance
Department of Expenditure
PP Division

512, Lok Nayak Bhavan,
New Delhi. Dated the 18th November, 2020.

OFFICE MEMORANDUM

Subject: Global Tender Enquiry (GTE) – reg.

Attention is invited towards Department of Expenditure, Ministry of Finance OM No.F.12/17/2019-PPD dated 15.05.2020 and this Department's OM No. F.20/1/2020-PPD dated 08.10.2020 regarding the subject cited above. In this regard, it is to inform that Cabinet Secretariat has now issued further instructions vide their ID no.213/2/1/2020-CA.IV dated 17.11.2020 (copy enclosed). In view of directions of Cabinet Secretariat, following are to be ensured while sending proposals for the approval of Global Tenders:

- (i) Ministry/ Department/ Organisation shall, at first, will float domestic tender to identify the domestic manufacturers/ service providers for the items/ services for which approval is being sought for issuance of Global Tenders. In case if the Ministry/ Department/ Organisation had not floated a domestic tender for the items to be procured through GTE after 15.05.2020, such proposals will not be forwarded to Cabinet Secretariat.
- (ii) Ministries/ Departments/ Organizations are requested to discuss with Department for Promotion of Industry & Internal Trade (DPIIT)/ relevant industrial bodies for identification of domestic manufacturers/ service providers and send the details of such deliberations along with the proposal.
- (iii) Ministries/ Departments/ Organizations are also requested to publish the 3/5-year procurement plan as mandated by Department for Promotion of Industry & Internal Trade (DPIIT), Public Procurement (Preference to Make in India) (PPP-MII) Order dated 16.09.2020 in their respective websites, before forwarding proposals for the purpose of procurement through GTE.


(Kotluru Narayana Reddy)

Deputy Secretary to the Govt. of India

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To,

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

Copy to : sibi.cabsec@gov.in

CABINET SECRETARIAT
RASHTRAPATI BHAWAN

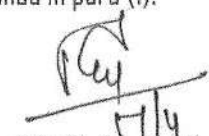
Subject:- Global Tender Enquiry - reg.

Kind reference is invited to the D/o Expenditure (DoE) O.M No. 12/17/2019-PPD dated 15th May and this Secretariat ID No. 213/2/1/2020-CA.IV dated 06th October, 2020.

(2) In this regard, the undersigned is directed to request that DoE, after receiving proposals from the Ministries/Departments/Agencies (M/D/A) that seeks exemption for Global Tender, may examine the details given in the GTE Format, whether the M/D/A had floated domestic tender to identify the domestic manufacturers/service providers. In case if the M/D/A hadn't floated such a domestic tender after the issue of DoE OM dated 15th May 2020, the proposal may be returned back to the proposing M/D/A for the completion of the said task and that proposal may not be forwarded to this Secretariat.

(3) Further, all the M/D/A may be asked to discuss with DPIIT/relevant industrial bodies for identification of domestic manufacturers/service providers. The details of such deliberations may also be forwarded along with the proposal.

(4) Furthermore, all the M/D/A may be requested to publish the 3/5-year procurement plan as mandated by DPIIT OM No. P-45021/2/2017-PP (BE-II) dated 16th September, 2020 in their respective websites, before forwarding proposals to this Secretariat, for the purpose mentioned in para (1).



(Sibi Chakkravarthy M.)

Deputy Secretary to the Govt. of India

Tele:- 2379 2018

Secretary, D/o Expenditure

Cab. Sectt. ID No. 213/2/1/2020-CA.IV dated 17th November, 2020

F.No.12/17/2019-PPD
Ministry of Finance
Department of Expenditure
Public Procurement Division

North Block, New Delhi
Dated the 15th May, 2020

Subject: Amendment in General Financial Rules (GFRs), 2017 – Global Tender Enquiry

In pursuance of Prime Minister's address to the Nation on 12.05.2020, in order to promote self reliance, Make in India and to promote Micro, Small and Medium Enterprises (MSMEs), it has been decided to make following amendments in the GFRs:

Present Rule 161(iv)	Amended Rule 161(iv)
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 the 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.	(a) Global Tender Enquiry (GTE): 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 the 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.
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2. Instructions regarding Competent Authority mentioned in Rule 161 (iv) (b) will be issued separately.


15.5.20

(Sanjay Aggarwal)
Director (PPD)
sanjay.aggarwal68@nic.in
011-23094961

To

1. Secretaries of all Ministries/ Departments, Govt of India
2. Mr Sailesh, Secretary, Department of Public Enterprises, Room no 301, Block 14, CGO complex, New Delhi. Tel: 24366171, email: secy-dpe@nic.in with a request to consider issuing similar instructions with respect to Central Public Sector Undertakings.

No.F.20/1/2020-PPD
Government of India
Ministry of Finance
Department of Expenditure
Procurement Policy Division

Room No. 512, Lok Nayak Bhavan,
New Delhi, dated the 8th October, 2020

OFFICE MEMORANDUM

Subject: Proposals seeking exemptions under Global Tender Enquiry – reg.

The Undersigned is directed to refer to this Department OMs of even number dated 27/8/2020 and 22/9/2020 on the above subject and to say that cabinet secretariat has vide their ID Note No.213/2/1/2020-C.A.IV Dated 06th October, 2020 devised a revised format for submission of proposals seeking exemptions for Global Tender Enquiry. (copy enclosed) In this regard. It is stated that the proposals for exemptions should be submitted to Cabinet Secretariat as well as Department of Expenditure and DPIIT as mentioned in the said ID Note. It is also stated that the proposals should come with the approval of Financial Advisor and Secretary of the concerned administrative Ministry/Department.

Encl: As above


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

To,

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

Copy to: Sibi.cabsec@gov.in

CABINET SECRETARIAT
RASHTRAPATI BHAWAN

Subject: Amendment in the GFR-2017, regarding the approval for GTE from the competent authority thereof

Reference is invited to this Secretariat's ID No. 213/2/1/2020-CA.IV dated 20th August, 2020 prescribing format for submitting proposals to competent authority for approval of GTE.

2. The undersigned is directed to request all Ministries/Departments to forward their proposals, if any, along with duly filled **revised format** enclosed herewith for seeking relaxation under the amendment made in rule 161(iv) of GFR.

3. The cases for consideration must be submitted simultaneously, **on or before the 10th of every month**, to

Cabinet Secretariat - ca4-cabsec@gov.in

D/o Expenditure - gtenquiry-200@gov.in

DPIIT - manmeet.nanda@ias.nic.in / rajesh.gupta66@gov.in

4. A meeting will be held once in a month (Exact Date will be intimated every month) to decide on the cases received by 10th of every month. Cases received after this date will be taken up for consideration in the next month.

5. This issues with the approval of Competent Authority.


(Sibi Chakkravarthy M.)
Deputy Secretary
Tel: 23792018

Encl: As above

Secretary, All Ministries/Departments

Cab. Sectt. I.D. No. 213/2/1/2020-C.A.IV Dated 06th October, 2020

**Format for seeking the approval of the Competent Authority as per DoE order on
rule 161(iv) of GFR dated 15.05.2020 and 28.05.2020**

S.No.	Particulars	Remarks
1	Name of the Ministry:	
2	Name of the Department:	
3	Name of the sub-ordinate office (If applicable):	
4	Detailed Description of the Item	
5	Use of the Item	
6	Life time of the item proposed (In years)	
7	Whether item is procured regularly? (If so, Details of procurement of the said item over the past three years (Three completed financial years or last three tenders and the current financial year) inclusive of supply details as per format at Annexure-A.	
8	Quantity required to be procured with justification for the quantity (State/UT/Region wise projection)	
9	Estimated procurement price along with basic of such estimation (International Price comparison chart)	

Stamp and Signature of the
Authorized officer of the proposing Department
Name and Designation

10	Justification to be submitted as under		
	a	Detailed justification for Global Tender and essentiality of import (Item wise)	
	b	Who are the (possible) vendors of the item under procurement, in the global (including India) market?	
11	1	Whether the Department has tried and floated the tender to identify the domestic suppliers in the past financial year (If not, the reason thereof)	
	2	Capacity of all domestic local suppliers as per the domestic tender floated, if any	
12	What are technical alternatives available within country and whether they can be used (<i>substituted</i>) for the proposed item under GTE?		
13	Whether the Department had in the past attempted at development of local suppliers/phased indigenization/promotion of alternative technology having sufficient local suppliers. (If so, details thereof)		

Stamp and Signature of the
Authorized officer of the proposing Department
Name and Designation

14	Consequences of non-procurement of the item through GTE.	
15	Whether BIS standards are available for the items proposed under procurement. If not, the efforts made to operationalize such standards.	
16	Whether the department had published procurement plan for next 5 years, for the item under discussion?	

The above proposal is submitted, with the approval of the Secretary of the Administrative Department/Ministry, for the consideration of the Competent Authority, as mandated by D/o Expenditure order dated 15th May, 2020 regarding Amendment in GFRs-2017, regarding Global Tender Enquiry.

Also, it is informed that the above proposal had been sent to Cabinet Secretariat (Via Email ID: ca4-cabsec@gov.in), D/o Expenditure (via Email ID: GTEnquiry-200@gov.in) and to DPIIT, for their consideration.

Stamp and Signature of the
Authorized officer of the proposing Department

Name

Designation

Contact Number

Email ID

ANNEXURE-A

FORMAT FOR GTE

Details of procurement of the said item over the past three years (Three completed financial years and the current financial year) inclusive of supply details.

Year of contract	Item	Contract No. & date	Supplier	Quantity of supply with unit	Rate per unit	Completion date of contract	Country of Origin of goods	Local content in %

Stamp and Signature of the
Authorized officer of the proposing Department.
Name and Designation

कोल इंडिया लिमिटेड

(एक महारत्न कंपनी)

सामग्री प्रबंधन विभाग

कोल भवन, प्लॉट सं.-ए.एफ-३, एक्शन एरिया-१ए

न्यू टाउन, राजरहाट, कोलकाता - ७००१५६

फ़ोन: ०३३-२३२४ ४१२७, फ़ैक्स: ०३३-२३२४ ४११५

वेबसाइट: www.coalindia.in

ईमेल: gmmml.cil@coalindia.in



COAL INDIA LIMITED

(A MAHARATNA COMPANY)

Materials Management Division,

Coal Bhavan, Premises No.04, Action Area 1A,

New Town, Rajarhat, Kolkata-700156

PHONE: 033-2324 4127, FAX: 033-2324 4115

Website: www.coalindia.in

E mail: gmmml.cil@coalindia.in

संक्र०: CIL/C2D/Purchase Manual/2020/ 2044

दिनांक: 11.11.2020

कार्यालय आदेश

विषय – Relaxation on mandatory seeking of approval for issue of Global Tender Enquiry (GTE) for tenders below Rs. 200 crores, in respect of procurement of Spare Parts for equipment / P&M from OEM / OES and OPM

संदर्भ – OM no. F.12/17/2019-PPD dated 15.05.2020 of DoE, MoF

Please find enclosed OM No. 12/17/2019-PPD dated 29.10.2020 of Department of Expenditure, Ministry of Finance, Govt. of India, wherein the following clarification has been issued:

“It is clarified that this office OM of even number dated 15.05.2020 will not be applicable on procurement of spares parts of the equipment/Plant & Machinery etc. on nomination basis from OEM/OES or OPM as no competitive tenders are invited in such cases.”

For the purpose of above, it is also clarified that procurement of spare parts for equipment / Plant & Machinery by issuing Single Tender Enquiry (with or without Proprietary Article Certificate) to OEM/OES or by issuing Limited Tender Enquiry to OEM/OES and identified OPM, may also be considered as procurement in the above category.

This is issued with the approval of Chairman, CIL for information and compliance.

Encl.: As above

तुषार 11/11/2020
(तुषार कांत मिश्रा)

महाप्रबंधक (सा/प्र) - विभागाध्यक्ष

सुधा

वितरण:

१. निदेशक (वित्त)/निदेशक (विपणन)/निदेशक (तकनीकी)/निदेशक (कार्मिक), सीआईएल
२. सी.एम.डी, बीसीसीएल/सीसीएल/सीएमपीडीआईएल/ईसीएल/एमसीएल/एनसीएल/एसईसीएल/डब्ल्यूसीएल
३. निदेशक (तकनीकी), बीसीसीएल/सीसीएल/सीएमपीडीआईएल/ईसीएल/एमसीएल/एनसीएल/एसईसीएल/डब्ल्यूसीएल
४. मुख्य सतर्कता अधिकारी, सीआईएल
५. सीआईएल के अध्यक्ष के तकनीकी सचिव
६. महाप्रबंधक(सिविल)/महाप्रबंधक(सीएमसी)/महाप्रबंधक(वित्त)/महाप्रबंधक(प्रशासन)/महाप्रबंधक(ईईडी)/महाप्रबंधक(उत्पादन)/ महाप्रबंधक(सीवी), सीआईएल
७. महाप्रबंधक (सा/प्र), बीसीसीएल/सीसीएल/सीएमपीडीआईएल/ईसीएल/एमसीएल/एनसीएल/एसईसीएल/डब्ल्यूसीएल
८. महाप्रबंधक (वित्त), बीसीसीएल/सीसीएल/सीएमपीडीआईएल/ईसीएल/एमसीएल/एनसीएल/एसईसीएल/डब्ल्यूसीएल
९. सा प्र विभाग, सी.आई.एल के सभी अधिकारीगण

No. F.12/17/2019-PPD
Government of India
Ministry of Finance
Department of Expenditure
Procurement Policy Division

512, Lok Nayak Bhawan,
New Delhi
Dated the 29th October 2020

OFFICE MEMORANDUM

Subject: Relaxation on Global Tender Enquiry (GTE) under Rule 161(iv) of General Financial Rules (GFRs) 2017.

Attention is invited to this Department's OM of even no. Dated 15.05.2020 and 28.05.2020 regarding amendment in Rule 161(iv) of General Financial Rules(GFRs) 2017 stipulating that no Global Tender Enquiry (GTE) shall be invited for tenders upto Rs.200.00 crore or such limit as may be prescribed by this Department from time to time. It further stipulates that in exceptional cases, where the Ministry or the 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 i.e. Secretary (Coordination), Cabinet Secretariat.

2. In this regard, a doubt has arisen if the above instructions will also be applicable with respect to procurement of spares from Original Equipment Manufacturers (OEMs) or Original Equipment Suppliers (OES) or Original Part Manufactures (OPMs) on nomination basis, though there is no other source available and no competitive offers are invited.

3. In this regard, it is clarified that this office OM of even number dated 15.05.2020 will not be applicable on procurement of spares parts of the equipments/Plant & Machinery etc. on nomination basis from OEM/OES or OPM as no competitive tenders are invited in such cases.

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


(Kotluru Narayana Reddy)
Deputy Secretary to the Govt. of India
Tel.No.24621305.
Email: kn.reddy@gov.in

To,

All the Secretaries and Financial Advisers to Government of India