

**GOVERNMENT OF ODISHA
FINANCE DEPARTMENT**

No. 1492 /F,
FIN-COD-MISC-0008-2017

Dated 13.01.2021

From

**Shri Ashok Kumar Meena, IAS
Principal Secretary to Government**

To

**The D.C-cum-A.C.S to Government
All A.C.S to Government
Principal Secretary to Government
Commissioner-cum-Secretary to Government
All Departments**

Sub: Procurement of Goods and Services in electronic Marketplace.

Sir/Madam,

Finance Department vide Letter No.5972/F Dated 20.02.2019 have advised all Departments to make maximum procurement through GeM Portal. In case, the procurement is inevitable through open bidding, a certificate is to be furnished by the officer responsible for procurement to the effect that the items procured either is not available on GeM or the price discovered in open bidding is less than the price available at GeM portal.

2. In the meantime, instances have come to the notice of the State Government where following difficulties are faced while procuring through GeM:

- i. The price discovered in open bidding is less as compared to price discovered on GeM;
- ii. In case of procurement of large quantity or if the L1 bidder is incapable of supplying the full quantity, splitting of bid among bidders at L1 price beyond a certain limit is not possible on GeM;
- iii. Bidders accept the order and fails to supply the goods/services in time;
- iv. Difficulty faced by local MSEs in on-boarding their product and services on GeM;

3. **The fundamental principle of public procurement aims at bringing efficiency, economy and transparency and for fair and equitable treatment of suppliers and promotion of competition in public procurement. Besides the above principle, procuring authority should satisfy itself that the price is reasonable and consistent with the required quality as per Para-3 (iv) of FD OM No.4939/F Dated 13.02.2012.**

4. In view of the above, it is now clarified that the procuring authority shall either procure goods or services through open tender or any authorised electronic platform such as e-procurement portal of the State, GeM platform, MSTC platform etc. **without compromising the above fundamental objective of public procurement and after ascertaining that the price is reasonable and consistent with the required quality.**

5. **Keeping in view the above objectives, the procuring authority shall decide the mode of procurement i.e open tender or e-procurement platform viz. e-procurement portal of the State, GeM platform, MSTC platform etc. as follows:**

- i. **If the goods or services are to be procured from e-platform, Reverse Auction (RA) and Analytics tools available on such platform shall be mandatorily used to ensure reasonableness of price.**
- ii. **In case the procuring authority decides to procure the goods or services through open tender, simultaneous bidding on e-platform may be made to ascertain the reasonableness of price.**

However, simultaneous bidding on e-platform may not be resorted to in case the procurement is urgent in nature or if the procuring authority is of the view that simultaneous bidding will not add value to the price discovery process. In such cases approval of next higher authority is mandatory.

6. Notwithstanding anything contained in Para-5 above, the procuring authority shall satisfy itself that the price is reasonable.

These Instructions shall be deemed to be a part of **Odisha General Financial Rule (OGFR).**

Yours faithfully,

Sd/-

Principal Secretary to Government