

Approach Paper for Stakeholder Consultations:

Exploring an enabling approach to procurement of works on GeM in accordance with the mandate of the Unified Procurement System

1. Background

The Government e-Marketplace and the Public Procurement Division of Department of Expenditure, Government of India, have been constantly endeavouring to improve procurement efficiency in the country by, *inter alia*, increasing the transparency and integrity of the public procurement process while simultaneously shortening the procurement cycle. The setting up of Government eMarketplace (GeM) in August 2016 as a dedicated e-market for providing procurement of goods and services for Central and State Government Organisations [hereinafter referred to as Procuring Entities (PEs)] was a major step in this direction. In the last 4 years, GeM has registered 7,42,941 suppliers for 17,02,097 products and has brought about a paradigm shift in the way the various government PEs procure goods and services through the GeM portal. GeM has been instrumental in improving the efficiency, transparency and integrity of the procurement process for goods and services while substantially bringing down the procurement costs as well as lead time and simultaneously opening up greater market access to MSMEs in the country. A recent analysis by the World Bank carried over 1.63 lakh tenders has established that the average savings on GeM is 9.75% over the median price on GeM. The portal also provides the tools of e-bidding and reverse e-auction to facilitate the government PEs in achieving the best value for their money. GeM has effectively leveraged technology to enable a cashless, paperless and contactless procurement of goods and services in an efficient manner for PEs throughout the country. A total of 1400+ software processes with 270 major ones have been implemented / enhanced from August 2019 for providing a number of features and functionalities for transparent, convenient and cost-effective procurement. An additional 300+ software processes with 50+ major ones are in the pipeline. Some major functionalities such as Item Wise Consignee Wise bidding, Demand Aggregation, Milestone based payments, buy back, removal of restrictions with respect to golden/non-golden parameters, restriction free bunching of products, pre bid suggestions & clarifications and online EMD are scheduled to go live in November-December 2020.

The above initiatives have led to a growth in the operations of GeM. Some salient growth statistics for GeM are as follows:

TABLE 1

S. No.	Parameter	November 16, 2019	November 16, 2020	YoY growth
1	Product Categories	4,665	10,252	120%
2	Service Categories	117	173	48%
3	Cumulative Tx Value (Rs Cr)	38,205	71,900	88%
4	No of sellers	2,99,370	7,42,941	148%
5	No of MSME sellers	59,751	2,42,460	306%
6	No of start-ups	3,530	7,450	111%
7	No of buyers	40,315	48,035	19%

Para 48 of the Budget Speech for FY 2020-21, states, inter alia, that “Government e-Marketplace (GeM) is moving ahead for creating a **Unified Procurement System** in the country for providing a single platform for procurement of goods, services and **works**. It offers a great opportunity for Medium, Small and micro Enterprises (MSMEs)....” The next version of GeM, viz., GeM 4.0 will be anchored in the Unified Procurement System.

In accordance with OM dated 23/1/2020 issued by the Department of Expenditure, all Central Government buyers will be required to obtain a "**GeM Availability Report and Past Transaction Summary**" to take informed procurement decisions. GeM will prompt buyers of Ministry of Defence, Railways and CPSEs to publish a "**custom bid**" on GeM itself for estimated order value exceeding INR 50 lakhs if the goods or services that a buyer is looking for is not on the platform. If a buyer decides to publish the bid outside GeM on the Central Public Procurement Portal (CPPP) for example, the corresponding ID of GeM Availability Report will be required as a mandatory input before publishing of a bid can be allowed on platforms such as CPPP. This ID will be validated in real time with GeM. After validation, a copy of the published tender will be returned to GeM for analysis. The integration of GeM with CPPP is live. The functionality of "**custom bid**" went live on October 7, 2020. The feature of "**custom bid**" will be in operation till all categories of products and services required by diverse buyers are made available on GeM. This feature will provide a single user experience to buyers under the **Unified Procurement System** mentioned in para 48 of the budget speech for FY 2020-21. This will also enable vendors to respond to bids for goods and services from GeM with the resultant **advantages of better price discovery, economies of scale and dissemination of best practices**.

The mandate of GeM as **the National Public Procurement Portal is to provide procurement of goods and services for Central and State Government Organisations.**

This approach paper has been put together with the objective of carrying out stakeholder consultations for exploring an enabling approach to procurement of works on GeM in accordance with the mandate of the Unified Procurement System.

2. GeM: A win-win for all stakeholders

The extant business model of GeM has been a win-win for all stakeholders. While the PEs have achieved higher economies, efficiencies and transparency in procurement by standardisation, digitisation, wider seller participation with reduced barriers to entry and reduction in procurement costs and lead times, the registered suppliers have been able to achieve higher sales volumes due to increased market access and direct sales to Government Organisations. If the scope of GeM is extended to cover works contracts, the same advantages can now accrue to a larger body of stakeholders: PEs procuring works contracts and the large number of works contractors across the country participating in such procurement. This Approach Paper attempts to provide a bird's eye view of the landscape of works procurement in the country through analysis of tenders on works floated by diverse Procuring Entities and outlines the advantages that would accrue to all the stakeholders if procurement of works is also enabled on GeM. The paper also describes the enabling approach to procurement of works on GeM and the technology tool in the form of "**RFP Builder**" proposed by GeM to facilitate such procurement.

3. The Procurement Eco-System - The Current Landscape:

Public procurement of goods, services and works is currently being carried out by the GoI Line Ministries/ Departments, State Government Departments, State and Central Govt PSUs, autonomous bodies and various Urban Local Bodies (ULBs) and Municipal Corporations (MCs). The default method of procurement across all PEs is e-Procurement which is now very well established throughout the country.

While a few States have promulgated Procurement Acts and have developed sufficient capacity for public procurement using both International Competitive Bidding (ICB) and National Competitive Bidding (NCB) procedures, a large number of PEs have never done ICBs and have only limited exposure to NCB procedures and best practices. The capacity for public procurement varies across States and within the States across different organizations. The PSUs also have varying capacities with several State Government PSUs having very limited exposure to efficient public procurement processes.

A large number of State Governments have also developed their own Standard Bidding Documents (SBDs) while a few do not have any approved SBDs for selection of consultants for works /plants / goods/ services. A large number of PEs thus not only need substantial hand-holding but also take two to four months for preparation of bid documents. The capacity for bid process management also varies across States. The problem is further compounded by the fact that the terms and conditions and clauses in some of the bid documents may not be worded and formulated as per best practices, thereby not only providing loopholes to the contractor to exploit during the currency and operation of the contract but also exposing the PEs to legal and commercial risks and protracted litigation if subjected to judicial scrutiny.

The Government e-Marketplace offers a digitised marketplace with numerous advantages over the traditional publishing portals such as the Government e-Procurement System of National Informatics Centre (GEPNIC), which provides the e-publish and e-Procurement modules to the PEs. The advantages of digitisation and category-based procurement of goods and services over publishing portals such as the Central Public Procurement Portal or the Indian Railways Electronic Procurement System (IRePS) are enclosed in **Appendix – 1**. GeM is in the process of enabling e-Sign soon and the Digital Signature Certificate (DSC) will also be enabled by the end of December, 2020. The GEPNIC platform allows bidders globally to submit their e-bids online using Class II or Class III Digital Signature Certificate (DSC). It is mandatory since 2012 for all Ministries/ Departments of the Central Government, Central Public Sector Enterprises (CPSEs) and Autonomous bodies to publish all their tender enquiries on the CPP portal. There are over 750 PEs registered with NIC for the GEPNIC system.

The major services provided by the GEPNIC system are as follows:

- i) Platform for publication of tender and bid award details by Central and State Government Ministries, Departments and Organizations, PSUs and PSBs
- ii) Free Access to tender documents for all
- iii) Facility to publish NIT through on-line form
- iv) Facility to publish tender documents and to add corrigenda and clarifications with documents
- v) Facility to publish bid award details along with contract document

The GEPNIC system has been adopted by 30 States /UTs and over 550 organizations within the country. There are only a few States like Gujarat, Bihar, Chhattisgarh, Karnataka, Telangana and Andhra Pradesh which do not use the GEPNIC system and have developed their own systems. Similarly, there are a few PSUs also which do not use the GEPNIC system.

4. Observations of GeM on the Procurement Eco-system of Works based on analysis of bid documents floated by diverse Procuring Entities:

GeM has carried out a detailed analysis of the Bid Documents for works contracts currently being used by diverse Procuring Entities: PWDs of Maharashtra, West Bengal, Odisha, Karnataka & Uttar Pradesh; Ministry of Defence, Indian Railways, National Thermal Power Corp Ltd, Indian Oil Corp Ltd, CPWD, National Highways Authority of India, National Highways & Infrastructure Development Corp Ltd and Power Grid Corp India Ltd. A total of 47 Bid Documents for works contracts actually used by these organizations in the recent past as per details in **Appendix 2** have been studied by GeM. The Appendix also details the parameters for the Bid Documents which have been studied. Broadly, aspects pertaining to bid document structure, eligibility criteria, commercial conditions and bidding practices as detailed in Appendix 2 have been studied in detail.

The details pertaining to the 47 tender documents are provided in **Appendix 3**. The Appendix has 4 sheets, each of which gives the details of the bid document structure, eligibility conditions, commercial conditions and bidding practices respectively for these 47 bid documents. Each Excel sheet also gives Procuring Entity wise details of the works bid out and a hyperlink to the bid document which can be used for accessing the detailed information in respect of the parameters studied.

The major inferences drawn by GeM on the basis of the analysis of these documents are as follows:

- i) There is no uniformity in the structure of the Bid Documents and the set of terms and conditions. While some bid documents have as many as 11 sections (Karnataka), Odisha has only 2 sections which incorporate all the clauses.
- ii) The bidders' eligibility criteria followed by different state PWDs / PEs for works tenders vary substantially from State to State and from one PE to another.
- iii) There is no uniformity in the commercial terms like amount of bid security, payment terms, amount of performance security, price variation clause etc from one PE to another. The bid security is found to range from a low of 0.5% to a high of 10%. Only one PE viz. NHIDCL has a system of accepting Bid Securing Declaration in lieu of Bid Security.
- iv) Some PEs are stipulating a Performance Security as low as 1% or 2% of contract value while others require a PS of 10%. There is thus a very wide range followed by PEs while stipulating this parameter.

- v) The bidding practices such as the number of days allowed for bid submission, gap between bid submission and bid opening, dispute redressal mechanism etc. also vary from one PE to another and at times also from tender to tender within the same PE. In some cases, it has been observed that the bids are opened 6 days after the bid submission; though some organisations also open the bids within 30 minutes of the bid submission.
- vi) The CPSEs generally follow the provisions of GFR 2017 / GOI Manual for Works 2019 while the bid documents issued by State PWDs deviate from the same. It is observed that the State PWDs follow the State Financial Rules, whose provisions may differ with those of GFR 2017/ GOI Manual for Works 2019.
- vii) There are no well defined editable and non-editable sections in a large number of bid documents – though the GOI Procurement Manual 2019 clearly states that certain sections of the Bid Documents should be non-editable.
- viii) There are multiple e-Proc sites publishing tenders and a potential bidder has to monitor many sites to track the tenders issued. A case in point is the Indian Railways where it is observed that 3 tenders issued by different offices of IR have used 3 different portals for publishing the tenders (Items S. No, 20, 21 and 22 of the Excel Sheet Appendix 3 titled” Bid Document Structure”). Further, different sites use different software and a Bidder has to not only familiarise himself with the bidding procedure for each site, but also has to register on multiple sites.
- ix) It is mandatory for Bidders to have DSCs for bidding on the GEPNIC portal. This may act as a barrier for smaller bidders- especially those bidding for state PWD/ works tenders. The GeM authentication system is eSign, which is Aadhaar based/ PAN based and hence much simpler. equally secure and scalable.
- x) Though some PEs go in for e-Publishing of the bids on the e-Proc site, they still ask for a hard copy of the technical bid thereby diluting the rationale for e-Procurement.
- xi) A very small number of PEs follow best global practises like payment of interest on delayed payments, bonus for early completion, opening bids within 30 minutes of submission etc.
- xii) It is observed that Organizations like NTPC and PGCIL essentially follow the same structure as in the Harmonized Standard Bid Documents adopted by ADB and World Bank for public procurement of works, goods and plants. These documents, with minor tweaking, can also be used for ICB procedures. There is, thus, a very

strong case for developing similar SBDs on the lines of these Navratnas, for adoption by all PEs.

5. GeM's proposed approach for bringing procurement of works onto GeM:

After an in-depth study of the extant eco system for procurement of works in the country, GeM has been working on developing a technology tool: "**RFP Builder**" that would address the issues enumerated above and facilitate preparation of quality Bid Documents in quick time by PEs who may or may not have the requisite in-house capacity for developing such documents while also giving the flexibility to the PEs to use their own in-house documents if they so desire. The RFP Builder is a tech tool which helps the PE to develop its own customized bid document. The PE is given multiple drop-down options and the PE has to choose the relevant options and fill in various numerical values and the system guides the PE to the template that he/ she may be looking for. Once the template is located, the PE can provide the required bid specific inputs for generation of the required bid document in a standardised format. The concept essentially entails the following:

- i) **Use of a basket of standardized templates:** GeM proposes to develop multiple SBDs for works to cater to all kinds of works contracts. These SBDs will cover item rate, percentage rate, EPC as well as Design Build Operate (DBO) contracts and will be available for 1S1E, 1S2E and 2S2E forms of procurement. The SBDs are being developed with the following features in mind:
 - a) **Adoption of global best practices** – All SBDs will have the same structure – 9 pre-defined sections. Some of these sections like Instructions to Bidders and General Conditions of Contract will not be editable and any changes in these can be affected only through editable sections called Bid Data Sheet and Special Conditions of Contract respectively. This is in accordance with the provisions of the Gol Manual of Works, 2019. The PE will, however, be free to stipulate all its technical requirements. Different sections can be drafted/ completed by different divisions within the same organisation, such as commercial, technical etc. The RFP Builder provides that any changes to the non-editable Sections of the Bid Document can be made only through the editable sections and will need to be approved by the Competent Authority. The hierarchy of approvals can be customised for every organisation based on the work flow and versioning control can be enabled at various levels. The system will generate a report about the changes made in the non-editable portion of the bid document through the editable portion for easy viewing and decision making.

mechanism to ensure that all changes get tagged to the officer/ authority making the changes and are duly authorised by the competent authority.

A detailed note on the RFP Builder doc is at **Appendix 4**. The salient features thereof are given hereunder:

- GeM Admin will create templates. Admin can define editable and non-editable sections within a RFP template.
- Currently the following users and their roles are envisaged for the RFP Builder in GeM:

User	High Level Role
GeM Admin	Create & Store Model Templates in RFP Builder. Define editable(standard) and non-editable sections
Buyer	Search RFP in Wizard, select and edit as per requirement in the editable sections, provide key parameters, scope of work, Service Level Agreement (SLA) etc and publish or send for approval
Buyer- Approver	Review and approve RFPs sent by buyer

RFP Wizard

RFP Wizard will help buyers in landing at the right RFP template after answering few simple guided questions. The set of questions will be used to identify key parameters of template thus enabling the system to present the most suitable template to a PE. If no specific templates are found against buyer response, system may suggest generic templates.

RFP Editor

Once the template suggested using RFP Wizard has been selected, buyer can further edit sections of template which are allowed to be edited to suit his/ her unique requirement. GeM may decide to standardize content of sections like 'conflict of interest', 'Fraudulent and corrupt practices' etc. Other sections which are assignment specific like scope of work, service level agreements, bill of material will be allowed to be updated by buyer.

Deviation tracker

The deviation tracker will be designed to keep track of changes made by buyer in the standard GeM template. All deviations from standard clauses in the non-editable portion of template will require approval from competent authority of buyer.

6. Mock runs on GeM with Bid Docs used by NHAI / CPWD/ IOC/ Defence:

Mock runs have been carried out by GeM to e-Publish the actual documents uploaded on the GEPNIC portal by NHAI/ CPWD/ IOC/ Defence using the RFP Builder to demonstrate the functionality created by GeM. The runs were carried out in the presence of the Nodal Officer from each of the PEs. The major observations of the mock runs on the GeM RFP Builder are as follows:

7. Advantages of using GeM's RFP Builder:

The current GEPNIC system essentially provides a platform for the PEs to publish their bids and to the bidders to submit their bids online using their own bid documents. GeM's proposed tech tool: "RFP Builder" factors in the observations at para 4 above and helps the PE to quickly develop its own customized bid document using the standardised bidding templates provided on the portal. The bid document thus developed, can then be published on the GeM portal which will additionally provide all the functionalities of the GEPNIC portal listed at para 3 above. The RFP Builder would have the following additional advantages:

- i) **Standardization of Bid Document across PEs:** There is a huge divergence in the quality as well as the structure of the SBDs currently in use by the PEs. There are also issues with not having well defined editable and non-editable sections with the documents used by some PEs. This makes it difficult to track /control changes; especially since the bid documents are prepared manually. The RFP Builder addresses these issues by leveraging technology to create standardised bidding documents with best practices to minimise legal and commercial risks while simultaneously retaining the flexibility to develop and customise a Bid Document as per PE's requirements at par with the best documents currently in use in the country.
- ii) **Lower Procurement Time and Shorter Procurement Cycles:** The time taken for preparing a bid document will come down substantially through use of the RFP Builder and standardised bidding templates. This is also expected to shorten the procurement cycles. The SBDs will be user friendly, will follow a standard format

and the PE will only need to input the key data to develop the customised and standardised Bid Document. This will simplify the process of bid document preparation and reduce the time taken to a few hours or even less. The PEs will, however, have the option to continue with their existing bid document in case they so require.

- iii) **Lower procurement costs:** Leveraging technology will reduce the time taken for development of a bid document without compromising on its legal enforceability. The lower bid preparation times will lead to lower procurement costs while minimising legal and commercial risks because of introduction of best practices.
- iv) **Standardization across PEs to reduce bidding cost for Bidders:** The use of the RFP Builder will increase the likelihood of the same bid document being used across PEs throughout the country. This will also be of help to the bidders by reducing their bid preparation and submission times. Along with the reduction in bid preparation time referred to at iii) above, the procurement cycle will get substantially reduced.
- v) **Dissemination of best practices and Standardized Bidding Practices:** A major advantage of using the RFP Builder will be that the commercial terms & conditions as well as the bidding practices will be aligned to best practices and will most likely become uniform across PEs.
- vi) **Enhanced Competition:** The Bidders/ Contractors will be able to access all the works contracts bid out in the country on a single GeM portal and will not need to track multiple sites and register on them for submission of their bids. Better dissemination of information along with consolidation of vendor bases will lead to greater competition and hence improve the overall efficiency of the procurement process.
- vii) **Better Contract Management:** By developing user friendly SBDs for various types of works procurement, much of the time / resources and related costs of the PEs deployed for bid document development shall be reduced. The PEs could utilize the freed resources to do effective Contract Management, thereby reducing the number of disputes and costs thereof.

8. The Way Forward:

Since its inception, GeM has brought about a paradigm shift in the procurement of goods and services by PEs. It provides a national platform to over 17 lakh products and over 7.5 lakh sellers and service providers and has crossed transaction value of over INR 71,900 crore. It has brought down both the transaction time and costs for procurement of goods and services and has enhanced the reach of the units in the MSME sector. It has adopted the state-of-the-art technology and is continuously evolving the same in order to stay innovative and competitive and serve its stakeholders better. The RFP Builder proposed in this Approach Paper is expected to usher in greater economy, efficiency and transparency in the procurement of works. **To begin with, the RFP Builder is proposed to be used only for works contracts using National Competitive Bidding (NCB) procedures. It is reiterated that the RFP Builder will give the PEs the option to either use their own bid document or to quickly develop a customized bid document by choosing a document out of the suite of the SBDs developed by GeM.**

In order to finalise the approach towards bringing works procurement on GeM, it is planned to carry out extensive stakeholder consultations. This approach paper is a step in that direction. To begin with, mock runs have already been carried out using the RFP Builder to demonstrate the functionality created by GeM to senior officials from NHAI/PGCIL/IOCL and CPWD. The officers were appreciative of the idea and viewed the creation of the RFP Builder as a step in the right direction. Two suggestions which emerged from this consultation were: (i) giving the PE the option to use either its own document or to choose a document from GeM's suite of SBDs and (ii) making available a comparison of the original and edited versions of the draft BDs. Both these suggestions have been incorporated in the design of the RFP Builder. It is now proposed to have the next round of consultations with the following stakeholders:

- a) Large Contractors who are engaged in executing EPC/ Item Rate contracts in India and overseas.
- b) Small Civil Contractors of Cat I, II and III registered with various State PWDs and State level PEs.
- c) State Government / PWD / Other State PE Officials engaged in awarding works contracts
- d) State and Central CPSEs engaged in awarding works contracts

Advantages of digitisation and category-based procurement of goods and services over e-Procurement portals or publishing portals such as the Central Public Procurement Portal or the Indian Railways Electronic Procurement System (IRePS)

1. The benefits of “Marketplace vs Publishing Portals” is enclosed as **Appendix-1A** from the perspective of stakeholders – buyers and sellers.
2. GeM follows the United Nations Standard Products and Services Code (UNSPSC) for categorising products and services. It is a four-level hierarchy coded as an eight-digit number. It enables buyers and sellers to describe goods and services in a common way without referring to any suppliers' in-house catalogue codes and descriptions.
3. A category/ sub-category typically has many catalogues or digital products which conform to the technical parameters specified in the category. A category, therefore, standardises products. For example, laptop is a sub-category in GeM and various electronic catalogues of laptops are individual products in that sub-category. All the sellers of these products upload their products (individual digital catalogues) in the sub-category named “laptop”. A category, therefore, creates standards for products and also enables the creation of a category wise database of prospective sellers.
4. The sellers can be notified instantly through SMS, E-mail and dashboard notification on creation of bid.
5. Enablement of a shorter bidding time and reduction of procurement cycle is possible as all the sellers in that category can be notified immediately.
6. Reducing seller bid participation time is possible as he gets intimation about a bid immediately.
7. Better price discovery in general and also in emergency procurement is possible because of a larger seller base
8. Enablement of a large number of analytic tools is possible because of digital storage of both the parameters of a category and the individual product specifications of catalogues (products) which are of great help in guiding future procurement.
9. Real time audit by the competent authorities is possible.
10. Automatic price corrections are possible due to visibility in marketplace etc.
11. It is possible for Buyers across different regional areas, for example, to easily access the innovative approaches and changes in specifications being used by other regions/ zones etc. This will enable and speed up standardisation, which in turn will lead to large scale production and innovation according to the standards created.

Without digitisation and category-based procurement of goods and services:

1. We will lose the main source of critical information that can guide manufacturing sectors to identify and plan for future requirements/ production etc.

2. The Buyers would again end up buying the same products over and over again at different prices with no digitisation/ database/ past transaction history created on past and concurrent transactions taking place elsewhere
3. Digitisation, competitiveness and transparency would be completely lost as is the case with publishing bids on publishing portals.
4. Without database driven digital comparison and search tools, all bids - even if published in public domain – will be lost in the sea of information and will be of hardly any use to other buyers and prospective new sellers, audit, vigilance and higher authorities.

Appendix – 1A

MARKETPLACE VS PUBLISHING PORTALS OR STATIC PORTALS SUCH AS THE INDIAN RAILWAY ELECTRONIC PROCUREMENT SYSTEM (IRePS) AND CENTRAL PUBLIC PROCUREMENT PORTAL		
Stakeholder	Advantages of a Marketplace	Description
Seller	Inclusiveness	Marketplace model allows all sellers selling a particular product to participate compared to an offline participation method which has limited participation, potential manual intervention and human bias. It brings standardization and removes bias from the purchase process.
	Speed of Procurement	System generated results lead to real-time order awards, thereby providing faster procurement.
	Pricing Intelligence	Marketplace model enables pricing sanity and correction owing to complete visibility of all price points listed for a particular product. The sellers are empowered with this data to put a competitive price and win the order.
	Payment Guarantee	The pricing for marketplace orders is known in the system and hence the same can be blocked in real time from the buyer's budget. This helps in increased seller trust, better pricing and more effective buying.
	Catalog Ownership	Marketplace hygiene is higher since sellers can claim to be brand owners for their own brands and control reseller participation. This helps in catalog sanity and better service.
	Performance Incentive	Sellers have an incentive to deliver best services since buyer ratings provide them an increased opportunity to bag more orders. Any incidents are visible immediately, hence it is an automated behavior correction tool.
Buyer	Efficiency of Procurement	The best price matching the specification gets the order awarded by the system algorithm (with no manual intervention and no human bias), in effect leading to increased cost saving.
	Price Discovery	Buyers can make efficient purchase decisions using market price discovery to know in advance the budget and timelines required for a particular product/ service delivery.
	Product Availability Validation	Buyers can check the availability of prospective bidders/ sellers even before placing the bid since he can discover the same in the market. This helps in the fructification of bids.
	Product Comparison	Buyers can compare different products in the market to make better purchase decisions.
	Smarter Choice of Specifications	Buyers can check detailed specifications of the product categories to make a smarter choice of filters to help him identify the right product fit for his requirement before he moves ahead with procurement.

MARKETPLACE VS PUBLISHING PORTALS OR STATIC PORTALS SUCH AS THE INDIAN RAILWAY ELECTRONIC PROCUREMENT SYSTEM (IRePS) AND CENTRAL PUBLIC PROCUREMENT PORTAL		
Stakeholder	Advantages of a Marketplace	Description
	Automated Market Correction	Incident management basis seller behavior leads to improved quality of deliveries and service.
	Robust Vendor Onboarding	Vendor assessment and other certificates etc. lead to a robust vendor onboarding system, thereby leading to a better experience for the buyer.
	Feedback Loop for rewarding/punishing seller behavior	Feedback/ Rating mechanisms on a marketplace lead to real time transaction/ experience feedback getting consumed in the system. The same can be used as filters during a purchase which further helps to strengthen the service/ purchase experience.
	Budgetary Support	Buyers can use a marketplace model to guide their annual budgets, with real time pricing intelligence.
	Enables Direct Purchase	Marketplace models enable direct purchase from the market at a market competitive rate which is impossible otherwise.
	Managed Catalog	Marketplace models have a managed catalog which leads to smarter purchase decision criteria and higher quality of purchase.
Government	Increased Cost Savings	Owing to the above factors, a marketplace model leads to increased cost savings.
	Aggregate Spend View across Ministries/ Organisations	Government has the ability to view all spend reports across different Departments/ Ministries, Organisations/ PSUs, States etc.

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APPENDIX 2.**List of Organizations and their Bid Documents Analysed**

S. No. in Excel Sheet.	Name of the Organization	State	Name of the Procuring Entity /Brief Description of the Project	Approximate Cost (Crores INR)	Documents Analysed
1.	PWD	Maharashtra	PWD , Aurangabad,	19.30	Bid Document (BD)
2.			PWD , Gangapur	13.47	BD
3.			PWD , Amravati	52.51	BD
4.		WB	PWD , Cooch-behar	33.84	BD
5.			PWD_ Bankura	50.74	BD and Contract Form
6.			PWD Murshidabad District	34.86	BD
7.		Karnataka	PWD_ Raichur	37.89	BD
8.			PWD_ Kalaburagi	7.09	BD
9.			PWD_ Shivmogga Taluk District	116.17	BD
10.		Odisha	PWD_ Jharsuguda	27.82	BD
11.			PWD_ Jajpur	17.76	BD
12.			PWD Sundargarh	23.04	BD
13.		UP	PWD _Jhansi	5.75	BD
14.			PWD _Bareilly	0.27	BD
15.			PWD Etawah	0.34	BD
16.	Defence		MOD - Navy	1937.21	RFQ
17.			Pune Cantonment Board	4.00	BD
18.			Cantonment Board , Deolali	3.00	BD and Tender Form

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19.		Border Road Organization	219.26	BD and EPC Agreement
20.	Railways	South Central Railway	685.37	RFP,EPC Agreement
21.		Construction of Twin Tunnel and 6 Underground Metro stations and Connecting sub-way on new ISBT to Patna Station	1958.81	NIT, GCC, SCC & Tender Notice
22.		Metro Railway Kolkata (Package 3)	258.25	Bidding Documents
23.		Metro Railway Kolkata (Package 4)	314.65	Bidding Documents
24.	NTPC	Construction of road for coal evacuation and for township approach for Talaipalli Coal Mining Project	24.56	IFB,ITB,BDS,GCC ,SCC
25.		Horticulture, Landscaping, Civil works and other facilities in Phase-1 of Eco park at Badarpur.	94.58	Tender Notice ,ITB,BDS,GCC ,SCC
26.		Renovation of 374 no. III, II & I type quarters in township at NTPC Tanda	19.68	Tender Notice ,ITB,BDS,GCC ,SCC
27.		Providing Earth Cover over exposed surface of filled up ash of abandoned South Balanda Mine Voids	17.80	Tender Notice ,ITB,BDS,GCC ,SCC
28.	CPWD	Construction of Permanent Campus for IISER at Jangalapalli Village, Chittoor District, Tirupati, Andhra Pradesh	469.70	NIT,GCC
29.		Construction of AIIMS at Awantipora (Kashmir)	1549.00	NIT ,GCC

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30.	CPWD	Construction of main Campus of IIT Jammu	627.05	NIT ,GCC
31.		Redevelopment of Residential Colony at Kasturba Nagar, New Delhi	1140.60	NIT ,GCC
32.		Construction of AIIMS Jammu at Vijaypur.	1155	NIT ,GCC
33.		Construction of Permanent Campus for IISER at IISER at Berhampur, Odisha	724.67	NIT ,GCC
34.		Construction of Permanent Campus of Indian Institute of Technology Bhilai at Kutelabhata, Durg, Chhattisgarh.	702.75	NIT ,GCC
35.	IOCL	Mechanical works at terminal and multi user jetty , Cochin	62.54	BD
36.		Capex Rate Contract under Bihar State Offices	54.32	BD
37.		M&I rate contract under Gujarat State Office.	50 .00	BD
38.		Capex Rate under Telangana & Andhra Pradesh State Office	342.21	BD
39.	NHAI	Four Laning Of Kiratpur To Nerchowk Section of NH21	1455.73	RFP and DCA
40.		6 Laning Of National Corridor NH-19 From Panagarh To Palsit ,West Bengal	2020.93	RFP
41.		6 Laning of National Corridor NH-19 From Palsit To Dankuni ,West Bengal	2193.23	RFP

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42.	National Highways & Infrastructure Development Corporation Limited	"Improvement of existing road to 2 laning with Hard Shoulders of 2 laning of Maram-Peren section (Package-IIA, length- 16.840 Km) on NH-129A, Manipur	154.64	RFP,EPC Agreement
43.		"Improvement/ Up-gradation of existing 2-Lane road to 4- Lane Divided Highway from Sekmai to Nilkhuthi section (Pkg- 5B) of Imphal Kohima Road of NH-39, Manipur	201.48	RFP,DCA
44.	PGCIL	Substation Package SS02 for 03 nos. of 132kV GIS New S/S and other works at MP	Not available	IFB,ITB,BDS,GCC ,SCC
45.		Construction of Trussless Store at Power Grid Tamnar Sub Station	1.44	Tender Details,ITB,IFB,GCC, SCC,BDS
46.	PGCIL	Construction of Sewage Treatment Plant (STP) at Pocket A & amp; Pocket B of Power Grid Western Region Head Quarters, Nagpur.	0.78	Tender Details,ITB,IFB,GCC, SCC,BDS
47.		Implementation of Smart City Project at POWERGRID Township Jammu.	Not Available	IFB,ITB,BDS,GCC ,SCC

Note: Following parameters have been considered for comparative analysis of the documents mentioned above: -

- a) Bid Document Structure
- b) Eligibility and Qualification Criteria stipulated vis-à-vis requirements in GFR 2017 / GOI Manual for Works 2019

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- c) Commercial Conditions; i) Cost Estimate ii) EMD iii) Performance Security iv) Payment Terms
 - v) Price Variation Clause vi) Defects Liability Period vii) Liquidated Damages
- d) Bidding Practices:
 - i) Bid Preparation Time ii) Time between Bid Submission and Bid Opening
 - iii) Dispute Resolution Mechanism

APPENDIX 3

The link below gives access to the Google Sheet which has details of the provisions of the 47 Bid Documents studied across various parameters and GeM's observations thereon for 5CPSEs, CPWD, Ministry of Defence, Indian Railways and 5 State PWDs

<https://docs.google.com/spreadsheets/d/1dstigwJP0d2JPKnHJTibSxJoHhaXt4iJMDBXVtiZm0Y/edit?usp=sharing>

Note on RFP Builder

Introduction

RFP Builder is a software tool designed to assist government buyers in building RFPs on GeM for their specific procurement needs. Ultimate objective of RFP Builder is to enable works procurement and project buying on GeM, which currently caters only to goods and services procurement.

Key Features & Components of RFP Builder

1. Readymade Standard Templates

RFP builder will host a set of standard templates, which may be department specific and/or project specific. These templates will ensure that majority of RFP documents are pre-built for quick usage by buyers.

The Templates in RFP Builder will be defined along 5 key parameters:

- ❖ Works Type (Sector, Sub-sector)
 - ❖ Funding & Bid Type (Multilateral Funding (Yes/No), Global Bid(Yes/No))
 - ❖ Bid Document Type
 - Expression of Interest
 - Request for Qualification
 - RFP (Single Envelope)
 - RFP (Two Envelopes)
 - RFQ cum RFP
 - ❖ Contract Type
 - Engineering, Procurement and Construction (EPC) Contracts
 - Public Private Partnership (PPP)
 - Hybrid Annuity Model (HAM)
 - Item rate (Unit Rate) Contract
 - Lump sum (Fixed Price) Contract
 - Percentage Rate Contract
 - ❖ Selection Criteria Type
 - Least Cost Selection
 - QCBS (Not applicable under Works)
 - Single Source Selection
- There are further selections under each of the above parameters
 - More template properties may be added subsequently

- GeM Admin will create templates. Admin can define editable and non-editable sections within any RFP Template.
- Currently, the following users are envisaged for RFP Builder:

User	High Level Role
GeM Admin	Create & Store Model Templates in RFP Builder. Define editable(standard) and non-editable(customizable) sections
Buyer	Search RFP in Wizard, select and edit as per requirement, provide key parameters, scope of work, SLA etc and publish or send for approval
Buyer- Approver	Review and approve RFPs sent by buyer

2. RFP Wizard

RFP Wizard will help buyers in landing at the right RFP template after answering few simple guided questions. The set of questions will be used to identify key parameters of template thus enabling the system to present the most suitable template. If no specific template is found as required by a buyer, system will suggest generic templates for the buyer to choose from.

3. RFP Editor

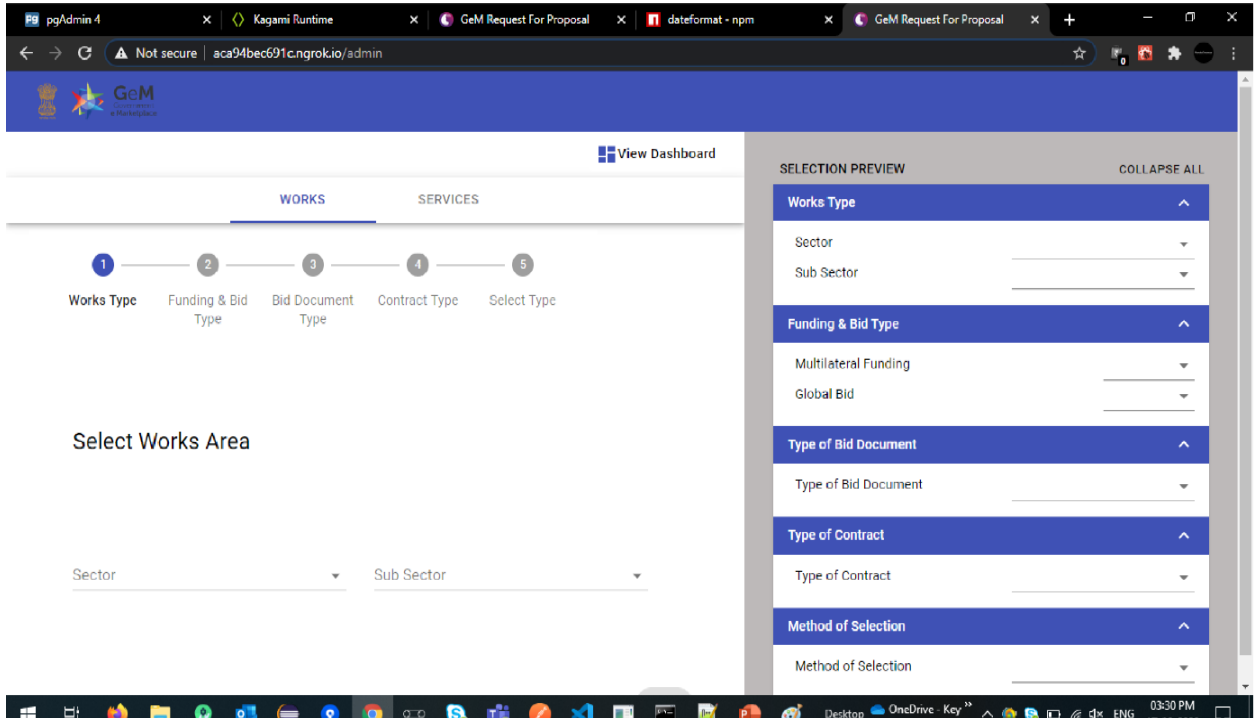
Once the template suggested using RFP Wizard has been selected, buyer can further edit sections of template which are allowed to be edited to suit his/her unique requirements. Even the non-editable portion of the template which a PE is not supposed to modify under ordinary circumstances, can be modified/ altered by a PE but the deviations from the standardised format will be tracked by GeM in such cases and it will be mandatory for a PE to seek the approval of the competent authority in order to move forward. GeM may decide to standardize content of sections like 'conflict of interest', 'Fraudulent and corrupt practices' etc. Other sections which are assignment specific like scope of work, service level agreements, bill of material will be allowed to be updated by a PE.

4. Deviation tracker

The deviation tracker will be designed to keep track of changes made by buyer in the standard GeM template. All deviations will require approval from competent authority of buyer.

RFP Builder High Level Flow

PE will answer a few questions in RFP Wizard which will land him/her on the most appropriate template.



Buyer can preview template suggested by RFP Wizard and select/confirm or go back to search fresh template.

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The screenshot displays the GeM portal interface. On the left, under 'RFP SECTIONS', there is a list of sections: DISCLAIMER, GLOSSARY, INTRODUCTION, ELIGIBILITY AND QUALIFICATION CRITERIA, INTRODUCTION TO BIDDERS, GENERAL, BID SECURITY, PERFORMANCE SECURITY AND ESHS PERFORMANCE SECURITY, PREPARTION AND SUBMISSION OF BIDS, OPENING AND EVALUATION OF BIDS, AWARD OF PROJECT, and ANNEXURES. Each section has a downward arrow. Below this list are three buttons: 'Back', 'See Full Preview', and 'Confirm'. On the right, under 'SELECTION PREVIEW', there is a 'COLLAPSE ALL' link and several dropdown menus: 'Works Type', 'Sector' (Urban Infrastructu...), 'Sub Sector' (Solid Waste Mana...), 'Funding & Bid Type' (Multilateral Funding: No, Global Bid: No), 'Type of Bid Document' (Type of Bid Document: RFP(Two Envelop...)), 'Type of Contract' (Type of Contract: Item rate (Unit Rat...)), and 'Method of Selection' (Method of Selection: Single Source Sel...).

After selecting the template buyer will be prompted to input RFP parameters. These can be edited at later stage as well.

The screenshot displays the GeM portal interface for RFP Parameters. On the left, under 'RFP Parameters', there is a 'General Information' section with the following fields: 'Name of the proposed assignment/RFP *', 'Name of the Nodal Agency', 'The name, address & contact details(phone and email) of the Nodal Officer is', 'Proposals to be submitted in the following language(s) *' (English), and 'Pre-Bid meeting type *' (Online). Below these fields are two buttons: 'Back' and 'Save & Continue'. On the right, under 'SELECTION PREVIEW', there is a 'COLLAPSE ALL' link and several dropdown menus: 'Works Type', 'Sector' (Urban Infrastructu...), 'Sub Sector' (Drainage), 'Funding & Bid Type' (Multilateral Funding: No, Global Bid: No), 'Type of Bid Document' (Type of Bid Document: RFP(Two Envelop...)), 'Type of Contract' (Type of Contract: Lump sum (Fixed ...)), and 'Method of Selection' (Method of Selection: Single Source Sel...).

Buyer can further edit content of RFP sections, which are allowed to be edited by GeM Admin, in the editor window

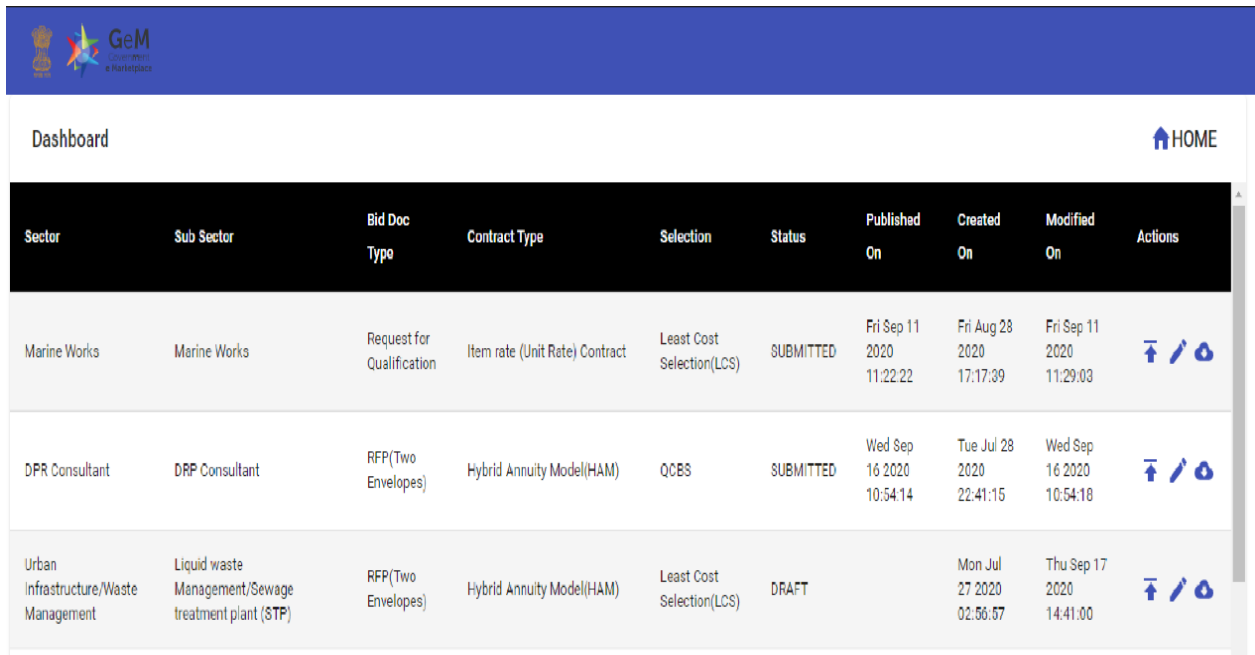
Approach Paper- Works Procurement on GeM Portal

All changes made by buyer in the standard GeM RFP template will be recorded through deviation tracker.

Section	Original	Modified	Status
ACKNOWLEDGEMENT BY THE BIDDER	agreed to be bound by the undertakings provided by it under and in terms of this RFP		DELETED
GLOSSARY	In this RFP unless the context otherwise requires capitalised terms shall have the meaning given to them in the table below Capitalised terms not defined below shall have the meaning given to them in the Concession Agreement	In this RFP unless the context otherwise requires capitalised terms shall have the meaning given to them in the table below Capitalised terms not defined below shall have the meaning given to them in the Concession Agreement	MODIFIED
BID SECURITY		cause the Concessionaire to execute the Concession Agreement	ADDED

Buyer can view status of all RFPs he/she is working on a dashboard.

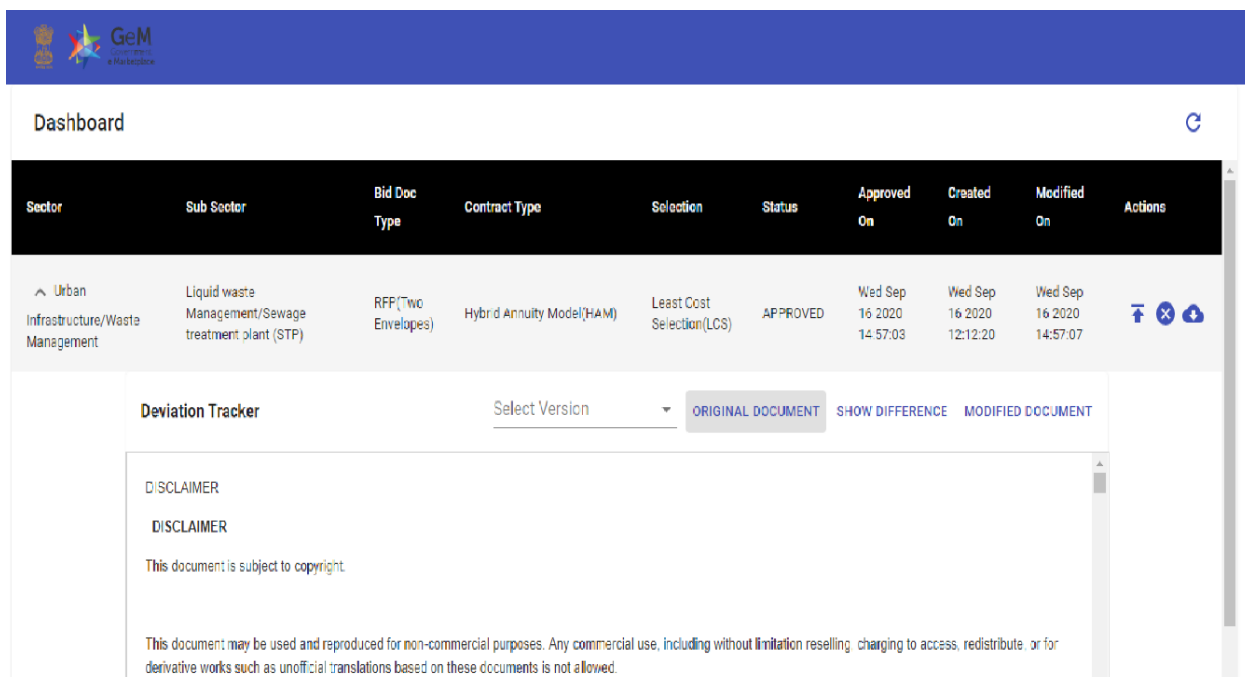
Approach Paper- Works Procurement on GeM Portal



Dashboard HOME

Sector	Sub Sector	Bid Doc Type	Contract Type	Selection	Status	Published On	Created On	Modified On	Actions
Marine Works	Marine Works	Request for Qualification	Item rate (Unit Rate) Contract	Least Cost Selection(LCS)	SUBMITTED	Fri Sep 11 2020 11:22:22	Fri Aug 28 2020 17:17:39	Fri Sep 11 2020 11:29:03	
DPR Consultant	DRP Consultant	RFP(Two Envelopes)	Hybrid Annuity Model(HAM)	OCBS	SUBMITTED	Wed Sep 16 2020 10:54:14	Tue Jul 28 2020 22:41:15	Wed Sep 16 2020 10:54:18	
Urban Infrastructure/Waste Management	Liquid waste Management/Sewage treatment plant (STP)	RFP(Two Envelopes)	Hybrid Annuity Model(HAM)	Least Cost Selection(LCS)	DRAFT		Mon Jul 27 2020 02:56:57	Thu Sep 17 2020 14:41:00	

The approving authority/ competent authority can view RFPs pending for his/her approval and can see deviations too. Version tracking is also possible for buyer/buyer admin.



Dashboard Refresh

Sector	Sub Sector	Bid Doc Type	Contract Type	Selection	Status	Approved On	Created On	Modified On	Actions
Urban Infrastructure/Waste Management	Liquid waste Management/Sewage treatment plant (STP)	RFP(Two Envelopes)	Hybrid Annuity Model(HAM)	Least Cost Selection(LCS)	APPROVED	Wed Sep 16 2020 14:57:03	Wed Sep 16 2020 12:12:20	Wed Sep 16 2020 14:57:07	

Deviation Tracker

Select Version ORIGINAL DOCUMENT SHOW DIFFERENCE MODIFIED DOCUMENT

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Note: All screens are tentative and may undergo further refinement and updates as per actual design and implementation requirements in future.