

## **GOVERNMENT PROCUREMENT IN INDIA**

The procedure for government procurement in India is transparent and is governed through stringent and well defined guidelines that assists in transparency and accountability of the government authorities and departments with respect to the procurement offers being made. Government authorities dealing with procurement are responsible to keep accountability and promote healthy competition in the bidding market.

It is recommended that every seller/vendor desirous of entering into public procurement should register itself with the Central Purchase Organisation or with such government authority/department for which it wishes to represent itself as a "Registered Supplier". Although such registration is not compulsory, it is beneficial to the supplier, as such registered suppliers are exempted from paying bid security with their bids.

Furthermore, once a supplier is registered with the relevant government authority, they are trusted and recognised by government authorities and the same provides them a better chance in procuring government offers, through the limited tender procurement method. The registration is usually for a fixed tenure of two to three years, depending upon the nature of products/services and is open for renewal. In case any foreign entity wishes to bid in a public offer through an Indian agent, such Indian agent is mandatorily required to register itself with the Central Purchase Organisation.

There are primarily three methods through which government authorities obtain bids in India, namely (a) Advertised Tender Enquiry Method; (b) Limited Tender Enquiry Method and (c) Single Tender Enquiry Method

**Advertised Tender Enquiry Method** - In case, where the estimated value of the goods to be procured through bidding is above Rs. 25 Lakhs (approx. USD 37000), the government authority issuing such tender is mandated to publish an advertisement of the tender offer in the Indian Trade Journal (ITJ), in at least one national daily newspaper as well as on its official website (if any). Based on the advertisement, bidders can send their quotations to the respective department/authority. In case where a Government authority/department is looking for a foreign suppliers of specific goods, they can send copies of the tender notice to the Indian embassies abroad, as well as to the foreign embassies in India. All aspiring foreign suppliers may also bid on such tender offer, along with the domestic bidders.

**Limited Tender Enquiry Method** - In case, where the estimated value of the goods to be procured through bidding is below Rs 25 Lakhs (approx. USD 37000), the government authority/department has

the option to either make a public tender offer by way of advertisement or simply send a copy of the bidding document to the registered suppliers in question via mail/post. It is mandatory that such bidding document should be sent to more than three suppliers. Subsequently, only these suppliers will become eligible to bid for the tender in question.

**Single Tender Enquiry Method** - The government authority also has an option to procure goods from one single source in exceptional cases of emergency or when such supplier is the sole manufacturer of the goods in question.

In addition to procurement of goods, the government of India may also procure services of professionals through tenders in situations requiring high quality services for which the concerned ministry/department does not have requisite expertise. The criterion for obtaining bids is similar to that of goods procurement. The bidding process that is likely to take place in procurement of such technical services, is the two- bid system wherein two distinct bids i.e. technical and a financial bid is made. Firstly, the technical bid is analysed and evaluated by the Consultancy Evaluation Committee. The financial bid is evaluated next of only those consultants whose technical bid is approved/qualified. On analysing and evaluating the same the consultant is selected.