

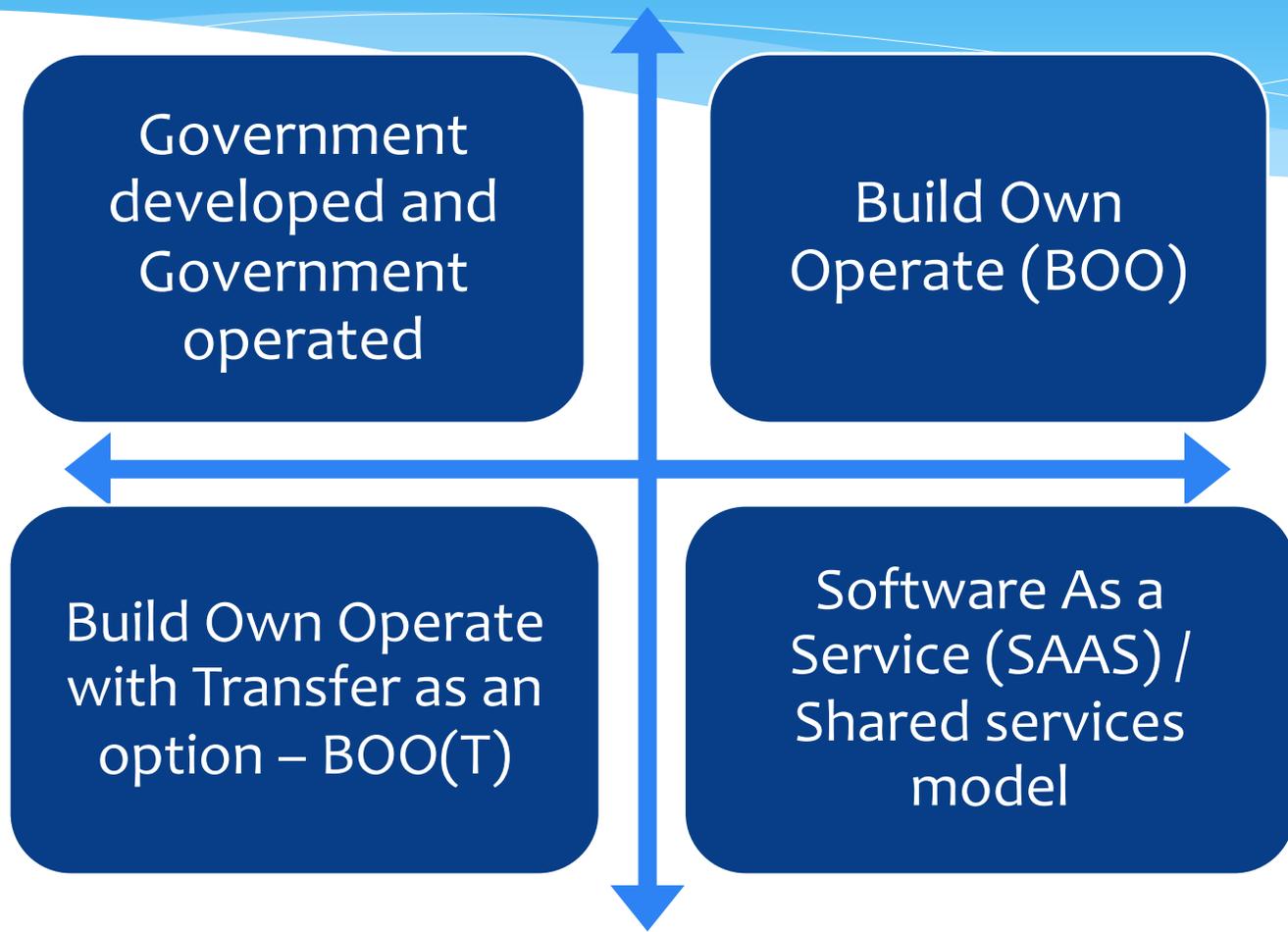
# **E- GP Development in India**

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# PUBLIC PROCUREMENT STRUCTURE IN INDIA

- \* 29 States\*; 7 Union Territories\* (\*J&K re-organization act will come into effect on 31<sup>st</sup> October 2019); 50+ Central Ministries; 200+ PSEs.
- \* Public Procurement in India is Decentralised
- \* Therefore, many e-GP systems implemented through various business models
- \* PUBLIC PROCUREMENT amounts to 15-20% of GDP
- \* India's GDP (nominal) = 2.972 Trillion USD (source imf.org)

# BUSINESS MODELS OF e-GP ADOPTED IN INDIA



# EVOLUTION OF e-GP IN INDIA

2000

- Enactment of IT Act 2000 legal recognition of electronic documents, Digital Signatures

2003-2004

- GoAP implements State-wide e-procurement

2005

- Indian Railways implements e-procurement

2006

- GoI launches NeGP (National e-Governance Plan) with e-GP as one of the Mission Mode Projects

# EVOLUTION OF e-GP IN INDIA

2006-2009

- Several State Governments pass Government Order for use of e-procurement, eg. Gujarat, Odisha, Tamil Nadu, Karnataka being the early ones.

2007-2008

- Government owned NIC develops and rolls out e-tendering system (GePNIC) in some States, eg. Tamil Nadu, Odisha etc.

2009

- CVC issues guidelines on security considerations for e-procurement system. In 2010, CVC issues a check-list

2012

- Jan. 2012 Govt. of India mandates e-publishing of all bids at [www.eprocure.gov.in](http://www.eprocure.gov.in)

# EVOLUTION OF e-GP IN INDIA

2012

- NIC system – GePNIC upgraded to Central Public Procurement Portal

2012-2016

- Several State governments start using e-tendering system

2016

- GeM (Government eMarketplace) portal launched

# E-GP in India (example)

- \* Govt of Andhra Pradesh – implementation of State wide e-tendering system; through PPP business model
- \* This was the first eGP implementation in India.
- \* To ensure buy-in a steering committee chaired by Chief Secretary of GoAP with the secretaries and heads of the 5 identified departments, IT&C Department and the service provider as members was constituted.
- \* Stakeholder consultations
- \* Trainings & workshops
- \* Involved major Business Process Reengineering

# E-GP in India (example)

- \* Govt of Karnataka – Single unified platform for all users; end to end including pre-tendering activities of indent management and post tendering activities of e-payment of bid security in a centralized account; Transaction based PPP business model; Specialized platform for auction of sites (actively used by Urban Development Authorities)
  
- \* Internal Capacity Building
- \* Internal Process Re-engineering :
  - Supplier / Contractor Registration
  - PKI Enabled Workflows
  - Standardized procurement procedure
  - Online Payment (Tender / Auction Payments)
  - Online EMD Refund
  - Complete Security and Total Confidentiality of bids

# E-GP in India (example)

- \* NIC –portal – Single largest portal with more than 40 instances;
- \* 4,482,337 e-Tenders processed worth ₹ 64,47,026.73 Cr (equivalent to USD 921,000 mn) since inception.
- \* Major portion of Public Procurement in India is done through NIC system.
- \* Bank has cleared the system for use in Bank funded projects. NIC e-GP system used in major portion of World Bank's portfolio in India.
- \* World Bank specific requirements have been incorporated in the system.
- \* NIC e-GP system (CPPP) won the South Asia Procurement Innovation Award in 2018

# E-GP in India (example)

\* GeM system – another innovation of Govt. of India.

2500-3500 sellers  
250-350 item categories

- Cumbersome process
- Rates locked
- Local vendor base

3,82,680 products  
\$ 460 Million trans val.

- Integration with Partners (UIDAI, MCA-21, Banks)
- MSP on board

Pre GeM phase

GeM 1.0

GeM 2.0

GeM 3.0

Aug' 16 – Mar' 17

Mar' 17 – Dec' 17

Jan' 18

- End-to-end online portal
- Basic functionalities

- Multi language support
- Advanced search
- Multi-cart

5,127 products  
\$ 61 Million transaction val.

Large ecosystem

- 35 K+ buyer orgs
- 227 K+ sellers
- 923 K products

Huge transaction base

- \$ 3.57+ Billion transaction val.
- 1.7 million + orders

Cost Savings

- ~25% savings over base price

# E-GP in India

- \* E-Reverse Auction to achieve better price
- \* Several Public Sector enterprises link their ERP systems to e-tendering system with codification and contract payment

# CHALLENGES

## (from World Bank assessment perspective)

- \* Usage is mostly limited to e-tendering with e-RA, e-payment of bid security modules.
- \* Since there are many e-tendering systems, suppliers/contractors are required to register on each of these portals to participate in bidding process.
- \* Need for a national database of suppliers with unique id and details of past performance.
- \* eGP systems are constantly evolving. System cleared by Bank may have undergone changes in subsequent years.

# CHALLENGES

- \* Bank guarantee submission in physical form
- \* Reconciliation of bid security is a pre-requisite for bid submission.
- \* Addressing the requirement of MDB eGP guidelines and Government's own procedures is a challenge for the service provider.
- \* In some systems, registration of foreign bidders is an issue with some validation checks in-built in the system.
- \* Security audit at least once a year – MDB requirement of specific installation audit
- \* Restriction on number and size of the documents to be uploaded
- \* Price Schedule formats
- \* Exit Management in PPP model specially for SAAS business model.



*Thank You*