

Asia Pacific Public Electronic Procurement Network

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**Experiences
and
Challenges, in India**

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Central Public Procurement Portal (<http://eprocure.gov.in>)

- ❑ For all Ministries/Departments/PSUs since 2012
- ❑ Prior to CPPP
 - Railways, Director General of Supplies & Disposal and major Public Sector Units had procurement portals
- ❑ One Stop Shop for Public Procurement activities
 - Complete Information for all Public Procurement

Central Public Procurement Portal ...

- ❑ Nodal Agency – Department of Expenditure, Ministry of Finance
- ❑ e-tenders worth USD 225 billion numbering 970 thousand processed till 31st August 2015
- ❑ Stakeholders
 - Central and State Governments
 - Central Public Sector Units
 - Suppliers/Vendors
 - National Informatics Centre, Banks

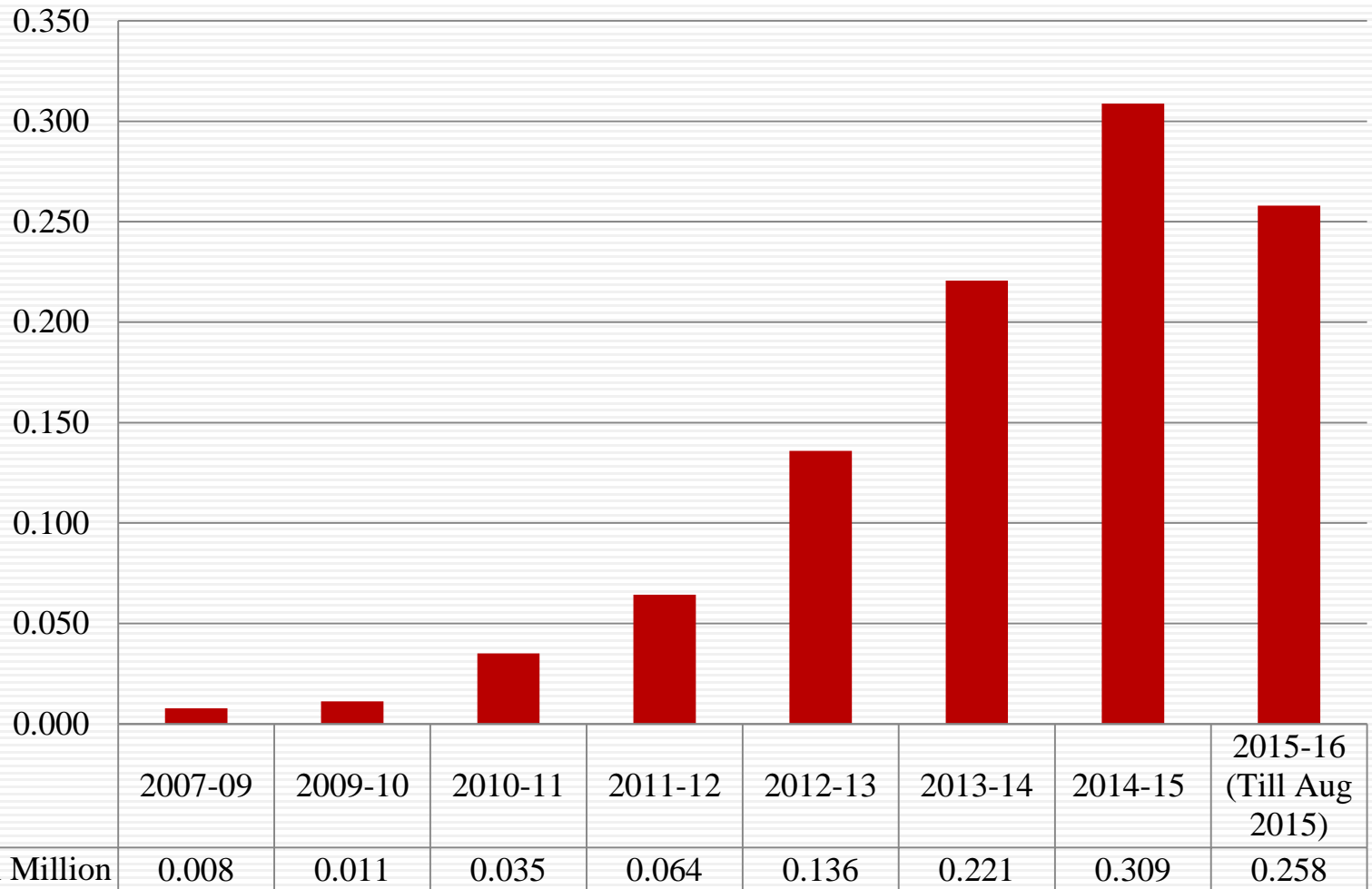
Objectives

- ❑ Enhanced Transparency
- ❑ Non-discrimination among bidders
 - Open Competition
- ❑ Free access of tender documents to any bidder & bid submission from their place of convenience
- ❑ Adherence to General Financial Rules and Guidelines of oversight agencies
- ❑ Security of the entire process using Public Key Infrastructure(PKI) technology

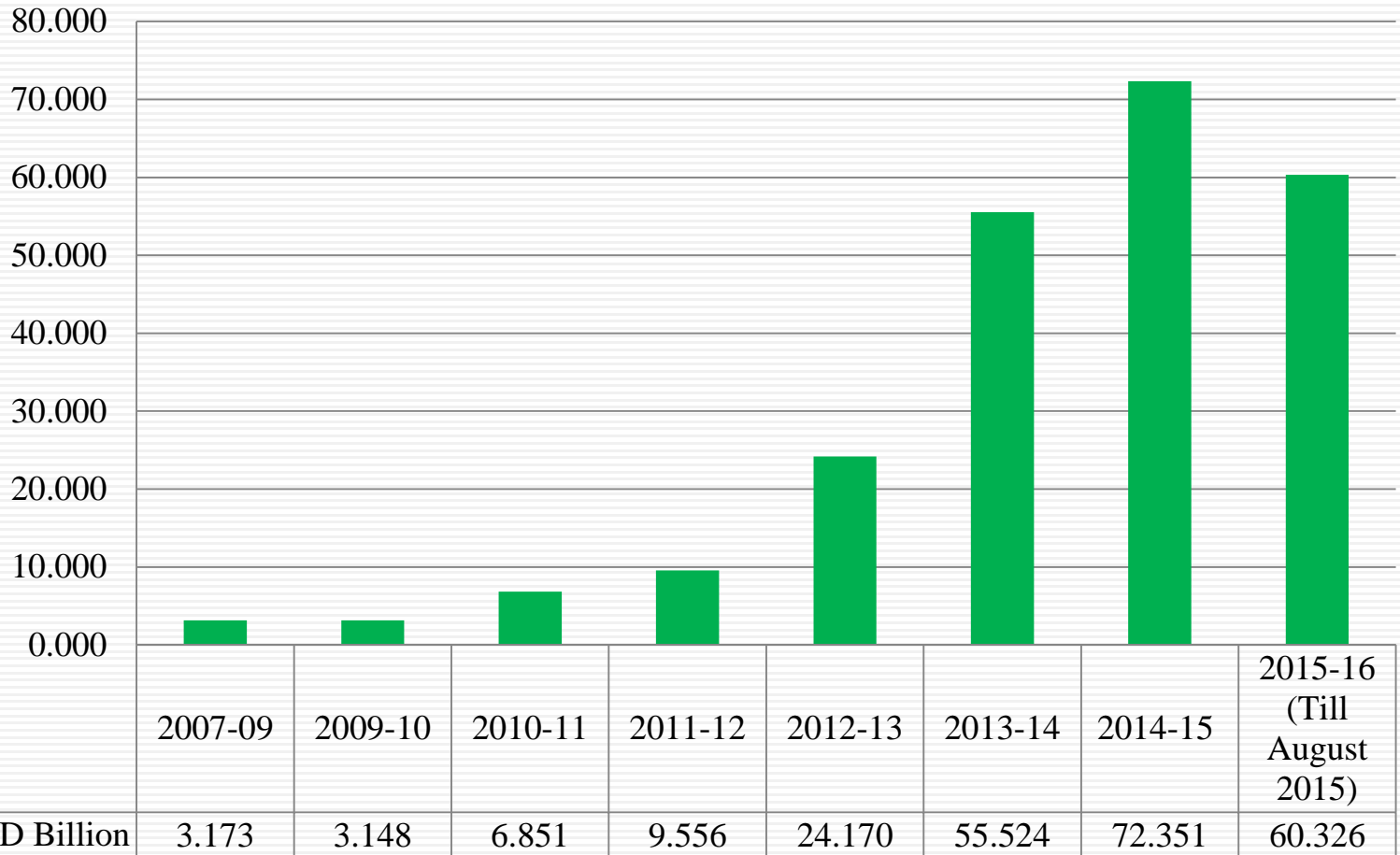
Phased Implementation

- ❑ Phase 1: e-Publishing
 - Publishing of Tenders and details of contracts awarded
 - No online Bid Submission
- ❑ Phase 2: e-Procurement : Complete e-Tendering cycle
 - Tender publishing
 - Bid Submission and Opening
 - Comparative Statement

Year Wise, Number of tenders



Year Wise Growth in Value of tenders in electronic mode



Procurement Portal Highlights

1	Approx. No. of Bids received till 31 th Aug 2015 (in million)	2.5
2	Value of tenders processed till 31 th Aug 2015 (in USD billion)	225
3	No. of tenders processed till 31 th Aug 2015(in thousand)	970
4	No. of Bidder/ Contractor registered (in thousand)	329
5	No. of officials of Procuring entities registered (in thousand)	63

Procurement Portal Highlights...

6	Maximum no. of Items Processed in a Single Tender (hospital)	3,200
7	Maximum No. of tenders closed at a single time	2,733
8	Maximum No. of Bids received in a Single tender	715
9	No. of Central Govt. entities registered on Central Portal	249
10	No. of States & UTs using CPPP	26

Benefits of e-procurement

□ Automated Process

- Shortened Procurement Cycle
- System aided Evaluation process
- Minimize Human errors
- Reduced Physical Storage Spaces

□ Increased efficiency due to

- competition, transparency, and lower transaction costs

Benefits of e-procurement ...

- ❑ Time stamping of all events
- ❑ Accountability of stakeholders
- ❑ Improvement in Work Culture
 - Lesser hassle of communication and administration
 - Reduces Litigation / Complaints
- ❑ Reduced opportunity for fraud and corruption
- ❑ Change in Perception
 - Progressive Organization

Benefits of e-procurement for Bidder

- ❑ Anytime, Anywhere bidding
- ❑ No charges for using the system
- ❑ No physical threat
- ❑ Automatic Alerts
 - No dependence on Newspaper, Courier etc.
- ❑ Economical – saving on bidding cost including travel

Limitations and Way Forward

- ❑ Currently, process is e- tendering only and not e-procurement
- ❑ Following should done electronically
 - indent, tender, tender decision making, purchase orders, amendments, bills/invoices and payments
- ❑ Limited facility for Digital Signatures internationally
 - Restricting global tenders

Limitations and Way Forward...

- ❑ Need to analyse huge data generated
- ❑ Create ebay/Amazon like website for governments using framework agreements
- ❑ Leveraging e-Procurement for e-Auctions, Reverse Auctions etc.



Thank you !!

What is PKI

- **Purpose:** The purpose of a PKI is to facilitate the secure electronic transfer of information for a range of network activities such as e-commerce, internet banking and confidential email.
- It is required for activities where simple passwords are an inadequate authentication method and more rigorous proof is required to confirm the identity of the parties involved in the communication and to validate the information being transferred.
- A **Public Key Infrastructure (PKI)** is a set of hardware, software, people, policies, and procedures needed to create, manage, distribute, use, store, and revoke digital certificates and manage public-key encryption.

Mail and SMS Alerts on various stages – For Procuring Entity

- Auction Alert For Bidder
- Confirmation of change of Login Id
- Confirmation of manual Password Reset
- Confirmation of User registration
- Confirmation on Bid Opener selection
- Expiry of DSC Certificate
- Intimation of Bid opening date
- Intimation of Mobile no. Updation
- Intimation on Blocking user
- Intimation on Unblocking user
- Revocation of DSC
- Verification code for Generate / Forgot Password

Mail and SMS Alerts on various stages – For Bidders/ Contractor's

- Acceptance of Tender Evaluation
- Awarding Contract
- Bidder Registration Approval Status
- Cancellation/Retender
- Confirmation for Additional Documents
- Confirmation of Bid submission
- Confirmation of change of Login Id
- Confirmation of manual Password Reset
- Confirmation of NEFT / RTGS payment
- Confirmation of User activation
- Confirmation of User registration
- Confirmation on Switching User Type
- Expiry of DSC Certificate
- Expiry of Registration
- Intimation of Bid Opening

Mail and SMS Alerts on various stages – For Bidders/ Contractor's

- Intimation of Financial Prebid meeting document
- Intimation of Mobile no. updation
- Intimation of new corrigendum
- Intimation of revocation of the tender
- Intimation of Technical Prebid meeting document
- Intimation of Techno-Commercial Query
- Intimation of the postponement of the tender
- Intimation on Bid Closing Time
- Intimation on Blocking user
- Intimation on publishing limited tender
- Intimation on Unblocking user
- Rejection during Evaluation
- Revocation of DSC
- User Enrollment Requisition
- Verification code for Generate / Forgot Password

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- Any incidental benefit due to the e-procurement?
 - Comparison among different states –
 - Well performing states are Maharashtra, Kerala, West Bengal, Rajasthan, Orissa, National Capital Territory of Delhi, Andhra Pradesh, Karnataka, Gujarat, Punjab , Madhya Pradesh, Uttarakhand, Jammu & Kashmir, Jharkhand
 - Yet to pick up in Arunachal Pr., Meghalaya, Sikkim, Manipur
 - Comparison among different PSUs.
 - Indian Oil Corp. , Coal India, Bharat Heavy Electrical are major PSUs widely using electronic tendering and many small PSUs like NALCO, EIL, NHDC, NRLM, POSCO,CGWB
 - There is need to analysis huge data being generated.

Case Study- Mahanadi Coal Field, a PSU under Ministry of Coal

PARAMETER	BEFORE e-procurement	AFTER e-procurement	REMARKS
Cycle time from Notice Inviting Tender to Award of Contract	120 to 300 days	17 to 82 days	Due to process re-engineering and taking the advantage of online modules
Cost of bidding per bid for the bidder	Rs 2000 to 10000	Rs. 35 to 50	The frequent visit of bidder for submission and attending opening of bids is not needed
Bid Validity Period	120 to 180 days	75 to 90 days	Average is 60 days
NIT Publication cost	Rs.4.7 Cr per annum	Rs 49 lakhs per annum	Only General notices regarding availability of tenders are being given in the print media.