



सत्यमेव जयते

Government Of India



Government of Maharashtra

MAHARASHTRA METRO RAIL CORPORATION LTD.

**ASIAN DEVELOPMENT BANK
MANILA, PHILIPPINES
10TH OCTOBER 2024**

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Maharashtra Metro Rail Corporation Limited



Approved Projects

Sr. No	Project	Start Date	Length (km)	Stations (Nos)	Project Cost (INR. Cr)	Remarks
1	Nagpur Metro Rail Project Phase I	01.06.2015	40.02	38	9279.06	Fully operational since 11.12.2022
2	Nagpur Metro Rail Project Phase II	29.12.2022	43.80	32	6708.00	Progress as on 30.9.2024.2024 <ul style="list-style-type: none"> Physical: 10%; Financial: 5% TDC Nov 2027
3	Pune Metro Rail Project Phase I	09.01.2017	33.28	30	13656.22	Fully operational since 29.09.2024
4	Pune Metro Rail Project – North Extension (PCMC – Nigdi)	23.10.2023	4.41	3	910.18	Work in progress
5	Pune Metro Rail Project – South Extension (Swargate – Katraj)	04.09.2024	5.46	3	2954.53	Foundation stone laid on 29.09.2024
6	Thane Integral Ring Metro Rail Project	04.09.2024	29	22	12200.10	Foundation stone laying on 05.10.2024
7	Navi Mumbai Metro Line 1	23.02.2021	11.1	11	3450.00	Fully operational since 17 th November 2023.

Total

167.07

139

49158.09

Proposed Projects

Sr. No	Project	City's Population	Length (km)	Stations (Nos)	Estimated Project Cost (INR. Cr)	Remarks
1	Nashik Metro Project	22.94 Lakhs	33	30	3621.49	<ul style="list-style-type: none">Under consideration at Government of India.
2	Aurangabad Metro Project	17.25 Lakhs	37.41	41	4597.00	<ul style="list-style-type: none">DPR submitted to Government of Maharashtra in November 2023. The same is under consideration.
3	Pune Metro Phase-II	44.36 Lakhs	44.49	41	12832.00	<ul style="list-style-type: none">Under consideration at Govt. of India and Govt. of Maharashtra.
Total			114.9	112	21050.49	



Public Procurement

- Public procurement refers to the purchase by governments and state-owned enterprises of goods, services and works.
- It is a crucial pillar of services delivery for governments. As it accounts for a large share of the taxpayers' money, governments are expected to carry it out efficiently and with high standards of integrity to ensure the quality-of-service delivery and safeguard the public interest.
- As a key activity for governments, well governed public procurement can and must play a major role in fostering public sector efficiency, establishing citizens' trust and contributing to key governmental agenda's like the digital transformation and green growth.



Public Procurement Codes/ Manuals

- General Finance Rules (GFR)
- Manual for Procurement of Works
- Manual for Procurement of Consultancy & Other Services
- Manual for Procurement of Goods
- The Indian Contract Act, 1872 (With latest amendments)
- The Sale of Goods Act, 1930 (With latest amendments)
- The Arbitration and Conciliation Act, 1996 (With latest amendments)
- Public Procurement (Preference to Make in India) Order, 2017



Five R's of Procurement

- Right quality
- Right quantity
- Right price;
- Right time and place, and
- Right source.



Principles of Public Procurement

- Transparency principle
- Professionalism principle
- Broader obligations principle
- Extrinsic legal principle and
- Public accountability principle.



Canons of Public Procurement Policy

- Value for money – Procurement on best possible terms.
- Enhancing integrity / transparency in procurement practices - no red tape or corruption
- Infusing accountability in to the system – whether objectives of procurement fulfilled or not
- Equal opportunity to all participants in procurement process
- Providing fair treatment to suppliers
- Opening up of markets for international trade
- Promotion of MSME sector – Reservation & 20% preference purchase
- Preference for domestic product (electronic goods) under Make in India Scheme
- Make in India policy

Procurement Procedures

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- Purchase of goods without inviting quotations or bids:

- Purchase of goods by Purchase Committee:

- **Advertised tender enquiry:** this method is used for procurement of goods equal to or above INR 25,00,000. The advertisement and complete bidding document must be published on the Central Public Procurement Portal (“CPPP”), GeM and the procuring entity’s website. If the procuring entity is of the opinion that the goods required may not be available domestically, copies of the tender notice may be circulated to foreign embassies.
- **Limited tender enquiry:** The bidding document should be sent directly to more than three registered suppliers and the limited tender enquiry should be published. If the procurement is more than INR 25,00,000, this method can be adopted where the demand is urgent, an advertised tender enquiry will not be in the public interest, the source of supply is definite, or the possibility of a new supply source is remote.
- **Two-bid system:** this method is used for obtaining high-value plant machinery of a complex nature. Bids comprise of technical and financial bids. After the technical bid is to be opened and evaluated, the financial bids of the technically acceptable offers should be opened. Financial bids of only those bidders that have been declared technically qualified should be opened and evaluated.
- **Two stage bidding:** in this method, the financial bid is submitted after receipt and evaluation of the technical bids. This method is adopted where detailed specifications cannot be formulated without technical inputs from bidders, the procurement is subject to rapid technological advances or relates to research and development, or the bidder is expected to carry out a detailed survey or investigation. Such bids are invited through advertised tender without a bid price.
- **Single tender enquiry:** this method is used where a particular firm is the manufacturer of the required goods, for emergencies and for obtaining machinery or spare parts which should be compatible with the existing equipment.
- **Electronic reverse auction:** this is an online real-time purchasing technique, requiring presentations by bidders and automatic evaluation of bids. This method can be adopted where it is feasible for the procuring entity to formulate a detailed description of the procurement, there is a competitive market of bidders or the criteria for determining the successful bid can be quantifiable.



Why Innovation in Public Procurement?

- For procurement to better contribute to institutional effectiveness it needs to innovate
- Transparent and efficient processes that facilitate equal access and open competition
- Innovative solutions are instrumental to delivering better services with long term value for money
- Influence various industry investments in new skills equipment and research and development
- Innovation is not about money it is about people ideas and leadership



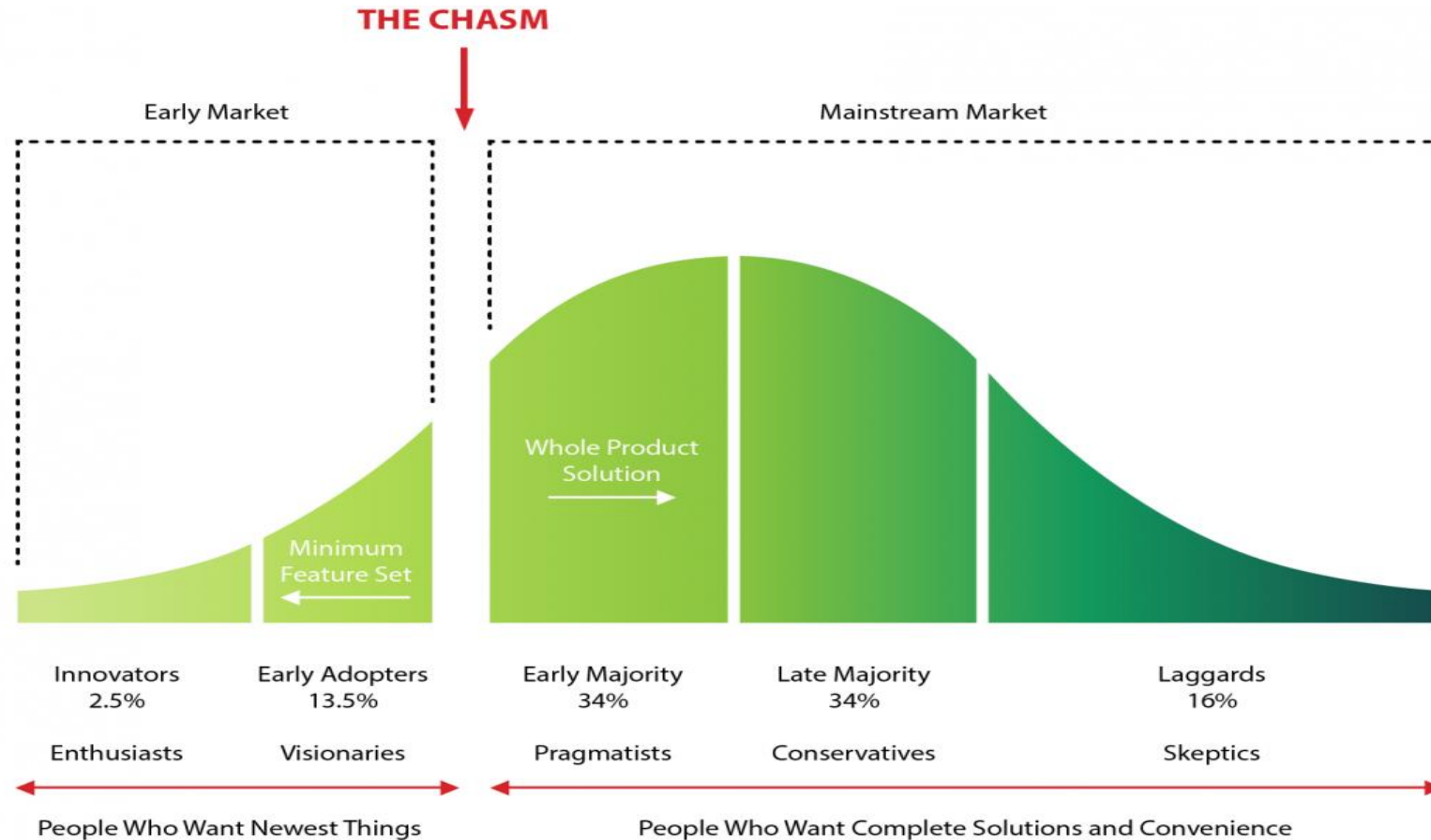
Innovative Public Procurement

- In recent years, public procurement has increasingly come to the forefront of the innovation agenda for a number of reasons. With increasing pressure on budgets, governments are looking at ways to better use the money they spend on public goods, services and infrastructure to achieve the best value-for-money for taxpayers. In that light, much emphasis has been placed on better and more strategic public procurement laws policies and
- Public procurement, on average, represents 20-30 per cent of a developing country's GDP, making it a powerful market player.
- Much public procurement remains very compliance driven and not very innovative.



Crossing The Chasm

What it is: With his model, Geoffrey Moore explains how a culture adopts or does not adopt a technology. By dividing the culture into unique groups, we can see what unique motivations are.



- We want to be Early Majority for Innovation in Procurement. For us technology is a real problem solver.
- We make a pragmatic decision to give it a try.
- Classic case is adoption of eRFI.



Key Challenges for Public Procurers

- **Legal Framework:**

Public procurers are often risk-averse due to fear of corruption allegations and restrictive regulations, limiting open dialogue with suppliers. A solid legal framework is essential, prioritizing transparency, value-for-money, fair competition, and non-discrimination. Tools like the Prior Information Notice and Innovation Partnerships can help reduce risk-aversion and prepare the market for innovative solutions.

- **Cost Barrier and Business Case:**

Procurers often resist innovative, sustainable solutions due to perceived higher costs. However, adopting a life-cycle cost or total-cost-of-ownership approach helps ensure value-for-money. Factoring in externalities and acquiring better data on innovative solutions can improve the business case for such procurement.

- **Public Procurer Skill Set:**

To maximize the potential of innovative procurement, public procurers need stronger skills in market engagement, designing performance-based tenders, and monitoring contract compliance.

Intricacies in Government Procurement and Solutions

- **Lack of Standard Contracts & Tender Documentation:**

Deliver clear, standardized, and proportionate tender documents to encourage broad participation, including SMEs and new entrants. Provide detailed guidance on evaluation criteria, ensuring the complexity is aligned with procurement size and urgency.

- **Limited Public Access to Tenders:**

Promote transparency by offering free and timely access to procurement information through online portals including common public procurement portal (in case of India, CPPP) for all stakeholders, including suppliers and the public.

- **Restrictive Pre-Qualifying Criteria:**

Implement technical processes by developing appropriate technical specifications, identifying appropriate award criteria,

- **Inadequate Time for Participants:**

Ensure adequate response time for suppliers, typically 14, 21, or 42 days, based on procurement complexity.

- **Non-Communication of Tender Results:**

Regularly publish tender results on websites to inform participants.

- **Delays in Procurement Decisions:**

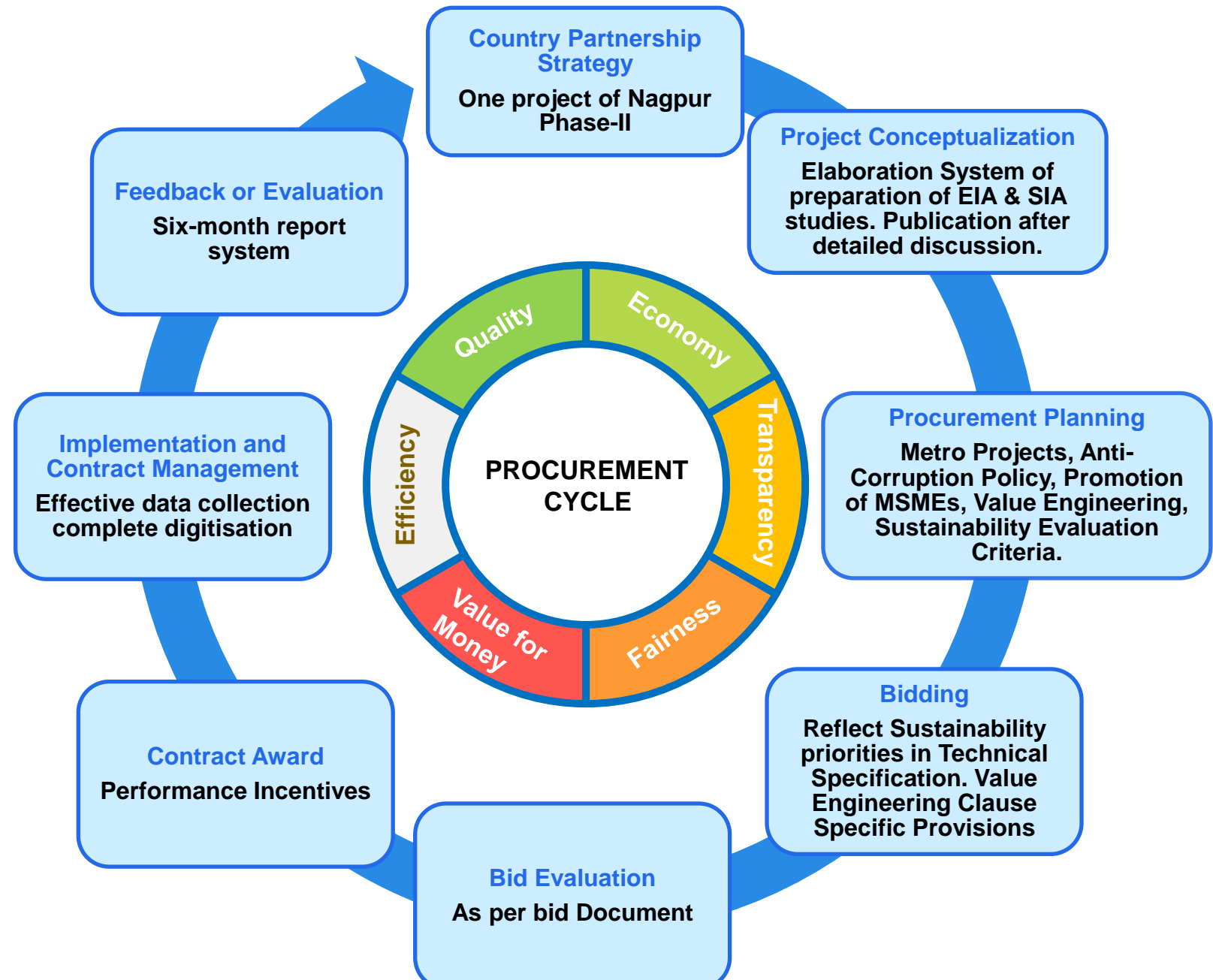
Monitor and reduce average time taken for procurement decisions.

- **Restrictive Tendering Practices:**

Use competitive tendering as the standard, limiting exceptions to single-source procurement to reduce corruption and ensure fair pricing.



Procurement Cycle-Sustainable Procurement





Sustainable Procurement through eTendering

- The use of supply chain management systems, such as eProcurement, eSourcing, and others, has accelerated procurement processes and helped to eliminate waste. Some of the key technologies are:
 - **eProcurement systems:** These platforms ensure that the right information is available at the right time, supporting efficient information exchange.
 - **eSourcing:** Modern solutions include built-in processes and project management capabilities, ensuring proper due diligence and approvals at each step, including sustainability requirements.
 - **Contract Management:** This helps implement mandatory clauses on sustainability and social responsibility during contract authoring, while also tracking milestones.
- At MahaMetro, we have adopted **eTendering** for our procurement processes, significantly improving operational efficiency. By eliminating the need for physical bid submissions, we've streamlined the process, reducing time and costs associated with transporting bids and requiring travel.
- eTendering has mitigated risks of manual errors and human interference, ensuring a more transparent and accurate process. It has also strengthened our relationships with contractors, suppliers, and vendors by making the process more seamless, reliable, and user-friendly.
- For over four years, we've conducted pre-bid meetings online. This has saved time and money while increasing accessibility for bidders from distant locations, improving the overall procurement experience.

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- The Asian Development Bank (ADB) uses Alternative Procurement Arrangements (APAs) in its mainstream procurement. These arrangements enhance efficiency, reduce procurement time, ensure quality, and manage risk.
- The use of APAs can simplify the procurement process by allowing ADB to apply the procurement rules and procedures of an accredited agency or entity of the borrower.
- The ADB has shortlisted Maha Metro to initiate Alternate Procurement Arrangement (APA) Certification; and Mahametro shall be the first agency to have accredited for APA in India.
- The use of Alternative Procurement Arrangements (APA) is an integral part of the strategic priorities of ADB, reflecting its commitment to support more efficient project implementation and to encourage the use of country systems. The aim is to alleviate the burden on borrower agencies and reduce delays in the procurement process.

And here Maha Metro once again wants to be the pioneer.



THANK YOU

Maharashtra Metro Rail Corporation Limited
A Joint Venture of Govt. of India & Govt. of Maharashtra