

E-Procurement

Initiative – Objective:

The objective of the Government of Punjab (GoP) E-Procurement initiatives is to develop a coordinated approach to attain best procurement practices across the Government departments. In order to achieve the objective, GoP desires to utilize new technologies and applications to create a suitable E-Procurement solution that meets the requirements of various departments of the Government.

GoP wants to implement an E-Procurement solution that can be utilized by all departments including Public Sector Undertakings.

The key objectives of the E-Procurement solution are:

- Demand Aggregation – The ability to aggregate Government departments demand to leverage buying power with the supply market.
- Reduced inventory costs – Improved planning and management of inventory leading to lower levels of inventory
- Internal Arbitrage – Ensuring consistency in goods and services costs at the best price across all Departments at item level.
- Consistent and sustainable vendor development – Enabling pre-qualified vendors the opportunity to access of other government departments.
- Transactional Effectiveness – Eliminating or automating non-value adding steps within the procurement to enable efficient and effective processes.
- Effective Tender processing - Effective use of Tender to get better deals.
- Open Platform – Level playing field and “fair” competitive platform for the suppliers
- Disposals – Accessing a wider customer base when disposing of redundant assets
- Smart governance – Increased transparency, monitoring and control of procurement process

3. Benefits to the Government:-

The E-Procurement initiative will offer the following benefits to the Government of Punjab:

- Image of a transparent and efficient government

- Image of an IT friendly, innovative Ministry
- Reduction in Establishment costs
- Massive improvements in Process Efficiency
- Drastic reduction in both the internal and external processing time
- Reduction in Inventory costs by better inventory planning through access to real time information
- Elimination of costs associated with publishing of tenders in Newspapers
- Reduction in transaction costs like communication, stationery etc.

Besides, it will enable the Government to Monitor- Today, it is very difficult for the Government to see what is happening where, how much purchase is happening in each of the department and how they are purchasing it. Every day, that report will be available to the Government online 24 hours a day, across all departments. The reports available can be seen department wise, supplier wise or in any other manner that is desired.

4. **Benefits to the Supplier:-**

The suppliers also have many benefits.

- They get the information on all the tenders so that they can decide, which tenders they need to participate.
- They don't have to incur unnecessary trips and communication expenses to find the information required.
- They can store all the tender replies in standard formats so that they don't have to make the same documents again and again.
- They have a comfort factor that things are being handled in a transparent manner.

E-Procurement will cover all the departments of the Government and Public Sector Undertakings. The departments will, however, be responsible for issuing the administrative approval and financial sanctions for the procurement of all goods, civil works and services.

E-Procurement processes shall be valid for procurement of all goods, civil works and services covering, but not limited to the following specific processes:-

- a. Publishing notices inviting tenders on E-Procurement Website
- b. Release/sale of tender documents
- c. Supplier/Contractor registration
- d. Receipt of bids –EMD Security Deposits etc.
- e. Auctions –Forward and Reverse Auctions

- f. Evaluation of Tenders
- g. Release of work order
- h. Catalogue (Rate Contract) Based Order
- i. Receipt of Goods and tracking thereof
- j. Payment to supplier

Any tender for the procurement of goods, civil works and services of a value of Rs. 5 Lakhs and above in all the departments/ Public Sector Undertakings shall henceforth be taken up only through the E-Procurement system.

The Government of Punjab in Department of Information Technology will select partner to set up the E-Procurement Market Place. The partner so selected, in addition to other required services, will also be required to procure, design, customize and implement the E-Procurement solution as per the requirements of all the departments of Government of Punjab and Public Sector Undertakings. The services to be performed by the partner will be decided by the Government.

Before the new project is implemented in other Departments of the Government, a trial for e-procurement was held in the Department of Information Technology. During the entire process of e-tendering including the publication of tender electronically, on-line bid submission by the vendors using digital signatures, on line evaluation of the bids, it was observed that the e-procurement process is transparent, convenient, efficient and widely published process with the benefit of being paperless process.

The e-procurement system will initially be implemented in the following major Departments:-

- a. PWD (B&R)
- b. Public Health (Water Supply and Sanitation)
- c. Irrigation
- d. Punjab State Electricity Board (PSEB)
- e. Transport
- f. Local Government
- g. Information Technology
- h. Industries & Commerce (DoIC)

On the successful implementation of e-procurement in the above departments, the other departments of Government and Public Sector Undertakings will be brought under the cover of on-line procurement system with the orders of Hon'ble Chief Minister.

As and when the new system of e-Procurement is implemented in the departments, initially there shall be an overlapping period of six months when both the new system of e-Procurement as well as the already existing system of procurement will run concurrently. The important items of in each department will, however, be procured under the new system of e-Procurement. After the completion of overlapping period of six months, the department will switch over to the new system of e-Procurement for all the items as per this memorandum, provided the new system stabilizes.

To ensure involvement of top management and to resolve procedural issues, a Project Steering Committee under the Chairmanship of Chief Secretary, Punjab would be constituted. It would take stock of the project progress and all the major open issues effecting timely progress of the project and bring about adoption of uniform processes across departments. The Steering Committee will function as an independent body and will consider all the issues in an unbiased and projector manner.

The Finance Department will issue necessary amendments/changes in the existing procedures as laid down in Punjab Financial Rules for implementation of e-procurement in the State of Punjab.

(III) Processes covered

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