

No.F.1/15/2018-PPD
Government of India
Ministry of Finance
Department of Expenditure
Procurement Policy Division

516, Lok Nayak Bhavan, New Delhi,
Dated 24th April, 2018

OFFICE MEMORANDUM

Subject : - Public Procurement (Preference to Make in India) Order, 2017- reg.

Attention is invited to para 10 (b) of the **Public Procurement (Preference to Make in India) Order, 2017** dated 15.06.2017 issued by Department of Industrial Policy & Promotion (DIPP) which *inter-alia* provides that procuring entities shall endeavour to see that eligibility conditions, including on matters like turnover, production capability and financial strength do not result in unreasonable exclusion of local suppliers who would otherwise be eligible, beyond what is essential for ensuring quality or creditworthiness of the supplier.

2. However, many grievances/ complaints are being received that certain Ministries/ Departments etc. are apparently not following the above Orders or related instructions issued by this Department from time to time. *A provision for vendors to register grievances related to this Order has also been made in Central Public Procurement Portal (CPPP) and Government e-Marketplace (GeM).* High level meetings have been organised in this regard and it has been decided to identify such tenders/ agencies and take suitable measures against violation of Government orders. Therefore, it is necessary for Department of Expenditure (DoE) to reiterate its earlier instructions and provisions in various Manuals and Orders with a direction to all Ministries/ Departments/ CPSEs to strictly abide by the provisions of Public Procurement (Preference to Make in India) Order, 2017.

3. In addition, attention is again invited to para 5.1.1 of Manual for Procurement of Goods 2017, according to which:

(iii) *the criteria for eligibility and qualification to be met by the bidder should take care of the supplier's eligibility to receive such a Government contract. The qualification criteria should take care of the supplier's past performance, experience, technical competence and production capacity of the subject goods, financial strength to handle the contract successfully, compliance with environmental protection regulations/ Environment Management System and so on.*

(iv) *There should be no such qualifications for the bidders that would be advantageous to the foreign manufactured goods at the cost of domestically manufactured goods.*

4. As regards EMD/ bid security, attention is also invited to the Rule 170 of GFR 2017 regarding bid security which may be strictly adhered.

5. This issues with the approval of Secretary(Expenditure).

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24-4-18
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To,

Secretaries of All Central Government Ministries/ Departments.

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