

## GOVERNMENT OF ANDHRA PRADESH

### ABSTRACT

Validation and enablement of procurement process through e-Procurement marketplace by the participating departments / agencies of Government of Andhra Pradesh, Andhra Pradesh Technology Services Ltd (APTSL); Andhra Pradesh State Road Transport Corporation (APSRTC); Commissionerate of Tenders (CoT) (covering Irrigation and Command Area Development Deptt. and Roads & Buildings Deptt.) and Andhra Pradesh Health Medical Housing & Infrastructure Development Corporation (APMHIDC) – Orders – Issued.

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### INFORMATION TECHNOLOGY & COMMUNICATIONS DEPARTMENT

G.O Ms. No.2

Dt. 15-01-2003

Read the following:

1. Agreement with M/s. C1 India dated 17<sup>th</sup> June, 2002
2. Minutes of the Steering Committee meeting on e-Procurement held on 28<sup>th</sup> September, 2002

### ORDER :

The Information Technology Act, 2000 provides legal recognition for transactions carried out by means of electronic data interchange and other means of electronic communication, commonly referred to as 'Electronic Commerce'. As a part of its e-Governance initiatives, Government of Andhra Pradesh has identified e-Procurement as one of the key thrust areas and has taken up e-Procurement project as one of the core IT initiatives. Government of Andhra Pradesh has selected a consortium led by M/s. C1 India as the partner to develop, operate and maintain e-market place for a pilot project initially covering four departments / agencies viz., Andhra Pradesh Technology Services Ltd (APTS); Andhra Pradesh State Road Transport Corporation (APSRTC); Commissionerate of Tenders (CoT) (covering Irrigation and Command Area Development Deptt. and Roads & Buildings Deptt.) and Andhra Pradesh Health Medical Housing & Infrastructure Development Corporation (APMHIDC), and has entered into an agreement with M/s. C1 India on 17<sup>th</sup> June, 2002 in this regard.

2. The targeted benefits that would accrue to the departments by migrating to the e-Procurement market place would be as mentioned below: -

- (a) Demand aggregation to leverage buying power with the supply market
- (b) Transactional effectiveness
- (c) Effective Tender Processing
- (d) Ensuring consistency in goods and services costs at the best price across all departments at item level.
- (e) Wider customer base when disposing off redundant assets.

Contd.,

3. The Steering Committee in its meeting held on 28<sup>th</sup> September 2002, decided that a general order would be issued authorizing Government Departments and organizations to adopt e-Procurement processes in place of and in addition to conventional processes, covering but not limited to the following:

- (i) Publishing notices inviting tenders
- (ii) Release/sale of tender documents
- (iii) Supplier/ Contractor registration
- (iv) Receipt of bids – EMD Security Deposits etc.
- (v) Auctions – Forward and Reverse Auctions
- (vi) Evaluation of Tenders
- (vii) Release of work order
- (viii) Catalogue based order
- (ix) Receipt of goods
- (x) Payment to supplier
- (xi) Information required to be maintained in file as an audit trail for AG's audit purpose.
- (xii) Compliance with relevant provisions of Finance code/ PWD code/ Account code/ Appropriate statute.

4. The four participating departments /organizations have already firmed up and documented their "As Is Process" and the "To Be Processes" and have arrived at a plan of action regarding what would now be processed and preserved in the electronic form and the rules / code provisions / GOs that need to be amended in order to provide legal validity to the e-Procurement process.

5. The Government after careful consideration and detailed examination hereby authorize the participating departments/organizations to take up e-Procurement through electronic processes defined initially in their "To Be Processes", as may be amended from time to time. The Government has further decided that notwithstanding any existing provisions of the A.P. Public Works Department code as well as other orders and executive instructions in force, e-Procurement processes shall be valid for procurement of goods, and services and for entrustment of contracts for engineering, IT and other projects, covering, but not limited to, the following specific processes:

- (i) Publishing notices inviting tenders
- (ii) Release / sale of tender documents
- (iii) Supplier / Contractor registration
- (iv) Receipt of bids – EMD Security Deposits etc.
- (v) Auctions – Forward and Reverse Auctions
- (vi) Evaluation of Tenders
- (vii) Release of work order
- (viii) Catalogue based order
- (ix) Receipt of goods
- (x) Payment to supplier

6. Any tender for an engineering work or procurement of goods and services of a value of Rs. 1 Crore and above by the Commissionerate of Tenders shall be taken up only through the e-Procurement marketplace from the date of issue of this order. In respect of APTS, APSRTC & APMHIDC, the administrative departments are requested to issue suitable guidelines in this regard.

7. The e-Procurement marketplace shall provide an online self-service registration facility to such of the suppliers, who are already registered with the respective participating departments for supply of specified goods and services. As an incentive for early registration, basic registration by suppliers, that allows them to participate effectively in the e-Procurement process, shall be enabled on the e-Procurement marketplace without levy of any registration or subscription fee upto 31st March 2003 or such later date, as may be decided by the Steering Committee. However, the e-Procurement marketplace may levy charges for such value-added services as may be decided by the Steering Committee.

8. The participating departments shall issue necessary amendments/changes in the existing procedures as deemed necessary for switching over from the conventional / existing procurement processes to equivalent e-Procurement process. Pending the issue of necessary amendments/ changes by the participating departments / agencies, the present order would be construed to authorize the participating departments / organizations to deploy e-Procurement for their procurement functions.

9. The participating departments/ agencies will pay service charges payable to M/s. C1 India as per the agreement entered by Government of Andhra Pradesh with M/s. C1 India on 17<sup>th</sup> June, 02 as indicated below:

- a. Tender hosting charges - Rs. 4,500/- per tender
- b. Transaction Fees - 0.24% of the value of an end-to end Transaction conducted through the e-Procurement marketplace.

The tender hosting charges shall be paid by the concerned department while the transaction fee shall be added to the estimate for the respective works and made payable by the successful bidder / supplier on receipt of purchase order / work order.

The concerned departments and agencies may issue further guidelines governing the modalities of payment of service charges to M/s. C1 India to bring in a centralized system of invoicing, payment (within the period of 15 days of invoicing as per the agreement entered between GoAP and M/s. C1 India) and accounting to facilitate smooth conduct of e-Procurement operations.

10. The participating departments may enter into an appropriate Service Level Agreement (SLA) with M/s. C1 India.

11. Provisions of this order will be reviewed at the end of the pilot project.
12. A copy of this order is also available on the Web at [www.ap-it.com](http://www.ap-it.com) and also at [www.aps.gov.in/apgos](http://www.aps.gov.in/apgos)

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

J. SATYANARAYANA  
PRINCIPAL SECRETARY TO GOVERNMENT

To

The Managing Director, APTS Ltd., BRKR Bhavan, Tankbund Road, Hyderabad  
The Managing Director, APSRTC, RTC X-Roads, Hyderabad  
The Commissioner, Commissionerate of Tenders, BRKR Bhavan, Tankbund Road, Hyderabad  
The Managing Director, APHMHIDC, Koti, Hyderabad  
The Spl. Chief Secretary, TR&B Department  
The Prl. Secretary, Irrigation & CAD Department  
The Prl. Secretary, HM & FW Department  
Finance & Planning (FW-EBS.2BG) Department  
The Accountant General (Audit), A.P, Hyderabad  
The Accountant General (A&E), A.P, Hyderabad  
The Director of Treasuries and Accounts, Hyderabad  
The Pay and Accounts Officer, Hyderabad  
The Deputy Pay and Accounts Officer, Secretariat Branch  
The Resident Audit Officer, O/o PAO, Hyderabad  
All the Departments of Secretariat

Copy to :

The PS to Chief Secretary  
The PS to Principal Secretary, IT&C Department  
The PS to Secretary, (HR & Spl. Projects), IT&C Dept  
The Director (Communications), IT&C Dept.  
The Joint Director (Infrastructure), IT&C Department  
Ms/ C1 India Pvt. Ltd., 501-Mahavir Chambers, Basheerbagh, Hyderabad  
SF/Spare

// FORWARDED BY ORDER //

SECTION OFFICER