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iii) At the end of 3 years, (i.e. from 2015-16) the overall procurement goal of minimum 20% will be made mandatory. Non-conforming Departments will be required to provide reasons for the same to the Review Committee set up under the Policy.

Contd..2
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v) With effect from 2012-13, every Central Government Ministries/Departments/PSUs will report the goals set with respect to procurement to be met from MSEs and the achievement made thereto in their respective Annual Reports.

vi) The Central Ministries/Departments/Public Sector Undertakings will continue to procure 358 items from MSEs, which have been reserved for exclusive purchase from them (Details at Appendix of the Policy).

For enhancing the participation of SCs/STs in the Government procurement, the Central Government Ministries/Departments/PSUs will take necessary steps including organizing special Vendor Development Programmes, Buyer-Seller Meets etc.

To reduce transaction cost of doing business, Micro and Small Enterprises shall be facilitated by providing them tender sets free of cost, exempting Micro and Small Enterprises from payment of earnest money, adopting e-procurement to bring in transparency in tendering process and setting up a Grievance Cell in the Ministry of Micro, Small and Medium Enterprises.

ix) A ‘Grievance Cell’ would be set up in the Ministry of MSME for redressing the grievances of MSEs in Government procurement. In addition, a Review Committee under my Chairmanship shall periodically review implementation of this policy.

3. I would request you to kindly issue necessary instructions to your departments / statutory bodies / PSUs for taking necessary steps to implement this policy. In particular, following may be considered:

Preparation of an Annual Procurement Plan 2012-13 for purchases and uploading the same on official website, so that Micro and Small Enterprises may get advance information about requirement of procurement agencies.
4. Appointment of a nodal officer not below the rank of Joint Secretary for implementation of the Policy and for redressing grievances.

I look forward to your help and cooperation in effective implementation of the policy.

Encl: As above

Yours sincerely,

(R.K. Mathur)
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iv) The participating MSEs in a tender, quoting price within the band of L1+15% may also be allowed to supply a portion of the requirement by bringing down their price to the L1 price, in a situation where L1 price is from someone other than an MSE. Such MSEs may be allowed to supply up to 20% of the total tendered value. In case of more than one such eligible MSE, the supply will be shared equally.

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3. Paras 14 and 15 of the Policy contain special provisions for defence procurements which inter-alia stipulate that for the purposes of this policy defence armament imports shall not be included in computing 20% goal for Ministry of Defence. In addition, defence equipments like weapon systems, missiles etc. shall remain out of purview of the Policy. Further, monitoring of goals under the Policy shall be done by the Ministry of Defence itself in accordance with suitable procedures to be established by them.

4. I would request you to kindly issue necessary instructions to your departments / statutory bodies / PSUs for taking necessary steps to implement this policy. In particular, following may be considered:

(a) Preparation of an Annual Procurement Plan 2012-13 for purchases and uploading the same on official website, so that Micro and Small Enterprises may get advance information about requirement of procurement agencies.

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Contd...3
(c) Sharing of information with this Ministry about achievements of the goals by the Ministry of Defence.

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Encl: As above

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Your website may contain a specific reference/ link for advertising such procurement.
Your website may also contain a grievance redressal mechanism for addressing any complaints received in this regard by appropriate levels under supervision as mentioned under (b) above.

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Dr. V.K. Saraswat,
Scientific Adviser to Raksha Mantri &
Secretary, DRDO,
531, DRDO Bhawan,
Rajaji Marg,
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Contd..3
D.O. 21(1)/2011-M.A.
April 25, 2012

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