



GOVERNMENT OF KERALA
Abstract

Finance Department-Extending the benefit of public procurement Policy for self reliance - announced by Government of India - to the MSMEs and PSUs in the State - Orders issued

FINANCE (PUBLIC UNDERTAKINGS -A) DEPARTMENT

G.O (Rt) No.5382/2020/Fin. Dated; Thiruvananthapuram, 18.09.2020

Read:- (1) G.O(P)No.546/2013/Fin dated 07/11/2013
(2) Order No. P-45021/2/2017-PP (BE II) dated 04/06/2020 from the Ministry of Commerce and Industry, Government of India.

ORDER

As per the Government Order read (1) above, Government extended the benefits of Public Procurement Policy for Micro and Small Enterprises registered in Kerala based on Government of India guidelines. As per reference 2nd above, Government of India has recently issued revised Public Procurement order for encouraging 'Make in India' and promote manufacturing and production of goods and services in India with a view to enhancing income and employment and to boost self-reliance.

Considering the new Guidelines of Government of India and the incentives announced for local manufacturers in other States, it is essential that a new preferential policy for procurement from local MSMEs and state PSUs is implemented for reviving them in the current difficult economic situation arising from the Covid - 19 pandemic.

Government after having examined the matter in detail are pleased to issue orders based on the latest guidelines indicated in Government of India's policy and also considering the best practices among various states. The new policy for the State will consist of the following Price and Purchase preferences to products procured from local MSMEs/ State PSUs and shall come into force superseding all previous orders issued on procurement from MSMEs within the State.

(a) **Price Preference:** All state PSUs & local MSMEs in the state shall get a Price Preference up to 15% in all procurement of State Government Departments, Organizations, Local Self Government Institutions and Public Undertakings. This means that wherever State PSUs/local MSMEs quote a rate which is within a 15% price range of the L1 bidder, the state PSU/ local MSME, either singly or jointly, as the case may be, would be entitled to get up to 50% of the order quantity at the lowest rate quoted among them. If there are multiple State PSU/local MSME vendors in this category, they will be given equal proportions of this 50% order.

(b) **Purchase Preference:** In any tender, If no local participating state PSUs & local MSMEs quotes within the price band of L1+15%, they shall still be entitled to an opportunity to supply up to 50% of the total order by bringing down their price to L1 price. In such a scenario, the State PSU and local MSME, accepting such an invite, either singly or jointly, as the case may be, shall be allowed to supply up to 50% of the order quantity, if there is only one such bidder; or in equal proportions out of the 50%, if there are multiple bidders in this category.

Necessary amendments to the Stores Purchase Manual if any, will be issued separately by the Stores Purchase Department.

(By order of the Governor)
RAJESH KUMAR SINGH IAS
ADDITIONAL CHIEF SECRETARY (FINANCE)

To:

The Principal Accountant General (A&E), Kerala, Thiruvananthapuram

The Principal Accountant General (G&SSA), Kerala, Thiruvananthapuram

The Principal Accountant General (E&RSA), Kerala, Thiruvnanthapuram

The Additional Development Commissioner, O/o the Development Commissioner (Micro Small & Medium Enterprises), Ministry of Micro Small & Medium Enterprises Government of India, Nirman Bhavan, 7th floor, Moulana Azad Road, New Delhi 110 108.

The Planning & Economic Affairs (BPE) Department

The Stores Purchase Department

The Chief Executives of all Public Sector Undertakings, Autonomous Bodies, Statutory Boards.

All Principal Secretaries/ Secretaries/ Special Secretaries/Additional Secretaries/ Joint Secretaries/Deputy Secretaries & Under Secretaries to Government

The Secretary to Governor

All Heads of Departments

The Private Secretaries to Chief Minister and other Ministers

The private Secretaries to Speaker and Deputy Speaker

The Private Secretary to Leader of Opposition and Government Chief Whip

All Departments of Secretariat

The General Administration (SC Department), vide the proceedings of Council of Ministers in item No.4205 dated 16/09/2020

The Director of Public Relations, Thiruvananthapuram

The Nodal Officer, www.finance.kerala.gov.in.

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Forwarded/By order,



Section Officer.