



**GOVERNMENT OF KERALA**

**Finance (Streamlining) Department**

**CIRCULAR**

No.46/2018/Fin

Dated, Thiruvananthapuram, 19.05.2018.

**Sub:- Payment Procedure for the Procurement Through GeM - Instructions- Issued- Regarding.**

**Ref:- 1. G.O.(Ms) No.2/2018/SPD Dated, 27/03/2018.**

**2. G.O.(P) No.2/2018/SPD Dated, 28/04/2018.**

**3. Letter No. ACEO(SK)/integration - Gem/2018 dated 26/03/2018 of ACEO GeM, New Delhi.**

As per the Government Order 1st cited, Government have approved GeM, the e Marketplace operated by the Govt of India as a procurement mode for the purchase of goods and services for public purpose by Government Departments / Autonomous Bodies / Public Sector Undertakings / Local Self Government Institutions / Universities. In the Government Order 2nd cited, a new chapter- Chapter 19 was incorporated in the Store Purchase Manual prescribing the rules and procedures for making procurement through GeM. In this New Chapter 19, under Para 19.12, it is stipulated that the guidelines regarding the payment will be issued by the Finance Department separately. Therefore, the following instructions are issued on the payment mechanism for the procurements through GeM.

The payment for the procurement through GeM can be effected through the DDO functionality with the integration of GeM System with Kerala Treasury System. As per the reference cited 3rd, GeM has given its consent for the integration of Kerala Treasury System with GeM System and the process for the same is underway. The new system of payment can be made available for Kerala only after the completion of the integration process. Till then, the payment for the procurement through GeM is to be done as detailed below, observing the following conditions as well.

1. Procuring Department / Agency should ensure that necessary Administrative sanction is issued for the procurement specifying the source of funds, such as head of account or treasury / bank account etc. They shall also ensure the availability of sufficient funds, before placing the order with GeM so that timely payment can be ensured.
2. Thereafter, supply order in GeM portal, observing the Stores Purchase Rules is to be placed.
3. On receipt of the goods / services, the quality / specification etc of same are to be verified with respect to the supply order and agreement conditions, if any, before proceeding to sanction payment.

4. As per the terms and conditions of GeM, payment for the supply received shall be made within ten days of issue of CRAC (Consignee's Receipt and Acceptance Certificate). Hence, it is the responsibility of the Procuring Authority to ensure the payment to the supplier within this stipulated time limit as per the payment advice from GeM.
5. The Procuring Authority can make the payment by generating a bill through BiMS or by STSB / bank cheque by the concerned DDO / Administrator of the account, respectively and transfer credit the amount directly to the account of the seller through electronic fund transfer mode within the time frame as stipulated in GeM rules.
6. It is the responsibility of the procuring authority to ensure that the Payment Advice from GeM includes the contractual deductions, if any, such as penalties for violation of Service Level Agreement and liquidated damages for delayed supplies, etc.

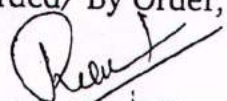
All HoDs, DDOs and payment sanctioning authorities in PSUs / Grant in Aid institutions / Universities etc. are directed to follow these instructions without fail.

**MANOJ JOSHI**  
Principal Secretary (Finance)

To

The Principal Accountant General (A&E / G & SSA), Kerala,  
Thiruvananthapuram.  
The Accountant General (E&RSA), Kerala, Thiruvananthapuram.  
The Secretary to Governor.  
The Private Secretary to the Chief Minister and other Ministers.  
All Heads of Departments and Chief Executive of Public Sector  
Undertakings, Autonomous Bodies, Welfare Fund Board, etc.  
The Director of Public Relations, Thiruvananthapuram.  
The Director of Treasuries, Thiruvananthapuram.  
All Departments and all Sections of the Secretariat.  
The Secretary, Kerala Public Service Commission.  
The Registrar, All Universities.  
The Advocate General, Kerala, Ernakulam.  
All District Treasury / Sub Treasury Officers.  
The Chief Project Manager, SPARK.  
All Additional Chief Secretaries / Principal Secretaries / Secretaries to Govt.  
Nodal Officer, [www.fin.kerala.gov.in](http://www.fin.kerala.gov.in).  
The Web and New Media, Information and Public Relations Department.  
The Stock file / Office copy.

Forwarded/ By Order,

  
Section Officer

(2)



**GOVERNMENT OF KERALA**

**Abstract**

Stores Purchase Department - Amendment to Stores Purchase Manual, 2013 - Inclusion of a new chapter regarding Gem - Sanctioned - Orders issued.

**STORES PURCHASE (A) DEPARTMENT**

G.O.(P)No.2/2018/SPD

Dated, Thiruvananthapuram, 28/04/2018

Read:- 1.GO(P)No.3/2013/SPD., Dated 21/06/2013.

2.GO(Ms)No.2/2018/SPD., Dated, 27/03/2018.

**ORDER**

As per Government Order read as 1<sup>st</sup> paper above, the Stores Purchase Manual was revised and published in the Official Website [www.kerala.gov.in](http://www.kerala.gov.in).

2. As per the Government Order read as 2<sup>nd</sup> paper above, Government of Kerala have approved Government e Marketplace (GeM) operated by Government of India as a procurement mode for the purchase of commonly used goods and services in the State by Government Departments/PSUs/Autonomous Bodies/LSGIs /Universities. Government are pleased to incorporate a new chapter - Chapter -19 in Stores Purchase Manual (SPM) attached attached as annexure to this for compliance by Government Departments/PSUs/Autonomous Bodies / LSGIs /Universities.

By Order of the Governor

**MANOJ JOSHI**

**Principal Secretary to Government**

**To**

The Secretary, Kerala Legislature Secretariat, Thiruvananthapuram (with C/L)  
The Additional Chief Secretaries/Principal Secretaries, Secretaries/Special Secretaries.

All Heads of Departments Offices/Public Sector Undertakings/Autonomous Bodies/Local Self Government Institutions/Universities.

All Departments in the Secretariat including Law and Finance

The Principal Accountant General (Audit), Kerala, Thiruvananthapuram.

The Accountant General (A& E) Kerala, Thiruvananthapuram

✓ The C-DIT, Gorky Bhavan, Vanross Junction, Thiruvananthapuram (for hosting the Government Order in the website [www.spd.kerala.gov.in](http://www.spd.kerala.gov.in))

The I&PRD (Web & New Media) (for uploading in the website ie.,  
[www.kerala.gov.in](http://www.kerala.gov.in)).

The Registrar General, Ernakulam (with C/L)

Advocate General Ernakulam (with C/L)--

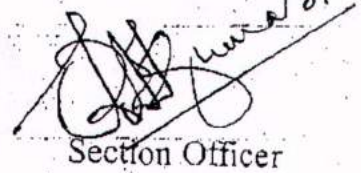
The Registrar, Kerala Administrative Tribunal (with C/L)--

Stores Purchase (A1,A3,A4 , B, IW -I, IW-II)Departments.

PA to Principal Secretary

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Forwarded/By Order



Section Officer

## CHAPTER 19

### Government e Marketplace (GeM)

19.1 In order to revamp the operational processes, Government e-Commerce Marketplace (GeM), a one-stop shop is implemented by Government of India (GoI) Directorate General of Supplies and Disposals (DGS&D) to facilitate online procurement of commonly used Goods & Services required by various Government Departments / Organizations / PSUs etc instead of DGS&D Rate Contract. GeM aims to enhance transparency, efficiency and speed in public procurement. It provides the tools of e-bidding, reverse e-auction and demand aggregation to facilitate the government users to achieve the best value for their money. The purchases through GeM by Central Government users have been authorized and made mandatory by Ministry of Finance GoI by adding a new Rule No. 149 in the General Financial Rules (GFR), 2017.

19.2 Government of Kerala have adopted GeM as a procurement mode for the purchase of commonly used goods and services vide GO(Ms)No.2/2018/SPD., Dated:27/03/2018 and procurement of Vehicles and its conditions (GO(Rt)No.67/2017/SPD., Dated 25/11/2017) by Government Departments/PSUs/ Autonomous bodies and Local bodies.

19.3 Procurement through GeM is being allowed as an option/ additional mode of procurement at the discretion of the procuring agency. It is the discretion of the Procuring Authority, whether purchase is to be undertaken through GeM or not. Even after trying to purchase an item through GeM, if the procuring authority finds that quality or price on GeM is not better than traditionally approved channels, they may not buy the items through GeM.

19.4 In case of purchase of vehicles, provisions of G.O (Rt) No.67/2017/SPD dated 25/11/2017 shall be followed. It provides that for purchase of 1-2 vehicles, purchase shall be undertaken only through GeM. In case of purchase of 3 or more vehicles at a time, the purchasing entity shall make purchases following single tender system after obtaining Specialised Government Price from the Original Equipment Manufacturer (OEM) and after ascertaining that such Specialised Government Price is less than the price quoted in GeM for the vehicle to be purchased. Purchase of any vehicle shall be undertaken only after approval from the Government in consultation with the Finance Department as regulated vide GO (P) No 442/2012/Fin dated 8-8-2012.

19.5 A Purchasing Officer can purchase articles worth Rs. 50,000 without quotation/tenders through GeM.

19.6 For procurement for value between Rs. 50,000/- to 10,00,000/, the procuring Department can procure without tender from lowest bidder quoting items with specified parameters.

19.7 For procurement for value between Rupees Ten Lakhs and One Crore, the procuring Department shall procure items through bidding / reverse auction.

19.8 For purchase values more than One Crore, the Procuring Departments can do tender on GeM Platform, after seeking approval of Stores Purchase Department on a case by case basis.

19.9 The demand for goods shall not be divided into small quantities to make piecemeal purchases to avoid procurement through L-1 Buying / bidding / reverse auction on GeM or the necessity of obtaining the sanction of higher authorities required with reference to the estimated value of the total demand. The Administrative Sanction should clearly mention about the procurement mode "through GeM"

19.10 The Goods purchased through GeM shall bear the self certified Warranty/ Guarantee. Buyer shall have the right to reject on proper justification any consignment of the Goods received within a period of 10 days of receipt. No payment shall be made for rejected goods. The Seller would be liable to take back such rejected Goods within 10 days without any charge.

19.11 The Purchasing officer should ensure the quality and quantity of the product within ten days after delivery of the product. If the procuring authority wants to have retention of certain amount for performance guarantee, they could specify that condition in procuring goods through GeM. Ensuring quality of goods purchased is responsibility of the procuring authority in the same way as that in procurement using other existing methods allowed under SPM. Demanding necessary certification to ensure quality or post delivery tests in purchases through GeM is the discretion of the procuring authority. Similarly, if the procuring authority requires Annual Maintenance Contract (AMC) or presence of local office to undertake maintenance or AMC, that should also be specified on GeM, if required.

19.12. It is the responsibility of the Procuring Authority to ensure the payment to supplier should be effected from the account on 10th day of delivery, unless buyer wants to return the goods. Guidelines regarding the Payment will be issued by the Finance Department seperately.

19.13. If the cost of he Purchase of computer and peripherals is above 20 lakhs shall be undertaken only after concurrence of the Electronics and IT Department- vide GO(Ms)No.18/2017/ITD.Dated,23/07/2017.