



Madhya Pradesh Store Purchase and Service Procurement Rules - 2015

As amended-2022

(Amended upto April, 2023)

**Government of Madhya Pradesh
Department of Micro, Small and Medium Enterprises**



Government of Madhya Pradesh

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Part - 1 Procurement of Goods

1. Introduction:

In order to ensure efficiency, timeliness, frugality, transparency, quality and competitiveness in government procurement as well as to promote micro & small enterprises and startups of the state, the State government, implements "Madhya Pradesh Store Purchase and Service Procurement Rules 2015 (as amended-2022)" for procurement of goods and services by the Government departments and their constituents.

2. Applicability

These rules will be applicable to all departments of Madhya Pradesh government, panchayat and urban bodies, all undertakings with more than 50 percent share of the State government, Corporations, Boards, Marketing federations, Cooperative institutions, Mandi boards and Agricultural produce mandi committees. These rules shall also apply to the body, institution or agency etc. specified by the State Government from time to time for this purpose. These rules shall not apply to the activities of the following institutions where the goods produced by the artisans/craftsmen of Madhya Pradesh has been purchased, for sale:-

S. No.	Name of Organization	Activities
1.	Sant Ravidas M.P. Handicrafts and Handloom Development Corporation	Regarding purchase of goods for sale through operated emporiums
2.	M.P. Khadi and Village Industries Board	Regarding purchase of goods for sale through operated emporiums
3.	M.P. Laghu Udyog Nigam Limited	Regarding purchase of goods for sale through operated emporiums

3. Definitions

3.1 Indentor means the competent authority authorized to issue purchase orders.

- 3.2 Goods means items purchased by the indentor for use in the discharge of public responsibility but does not include books, publications, periodicals, etc.
- 3.3 Procurement agency means an institution authorized by the State Government under Rule 6 to provide goods/services through the supplier in the context of the demand of the indentor.
- 3.4 GeM means a Government e-Marketplace established by the Government of India.
- 3.5 Supplier means the manufacturer/service provider/Enterprises/Departments/Institutions/Firms/Self Help Groups formed in the State/Person etc. providing goods/services for use in connection with public services to the indentor.
- 3.6 Tender document means all documents including the requirement, quantity, technical details and specifications of any goods/service, the criteria prescribed for purchase/procurement, estimated price, place of delivery, list of work, date-wise assesment of work, last date of execution of work, include all other information required for purchase including security fund/guarantee, terms of payment, etc., and which has been published as a tender document.
- 3.7 Tender means a formal proposal submitted by the supplier to provide goods/services in response to the tender invitation notice.
- 3.8 Tender Inviting Authority means the officer authorized to invite tenders.
- 3.9 Tender Accepting Authority means the officer authorized to accept the tender.
- 3.10 Tenderer means the person, firm or company submitting the tender.
- 3.11 Reserved Items means the goods referred to in Appendix "A" of these Rules in accordance with Rule 6, subject to revision from time to time.
- 3.12 Unreserved Item means goods other than reserved content.
- 3.13 Micro and Small Industries means enterprises established in the State as defined under Section 7 of the Micro, Small and Medium Enterprises Development Act, 2006.
- 3.14 Micro, Small and Medium Enterprises (MSMEs) located in Madhya Pradesh means micro, small and medium enterprises whose place of work and registered office are in the state of Madhya Pradesh as defined under the Micro, Small and Medium Enterprises Development Act 2006.

- 3.15 Quality and Cost Based Selection (QCBS) means a competitive process of quality and cost-based selection in which successful tenderer is selected in terms of quality of proposal and cost of services.
- 3.16 Startups means those startups which have been recognized by the Startup India of the Ministry of Commerce and Industry, Government of India and whose registered office is in the State of Madhya Pradesh.
- 3.17 Local content means value addition made in India.
- 3.18 Class-I Local Supplier means the supplier/service provider by whom a minimum of 50% or more value addition to the service/goods is carried out in the country.
- 3.19 Class-II Local Supplier means the supplier/service provider by whom a minimum of 20% or more but less than 50% value addition to the service/goods is carried out in the country.
- 3.20 Margin of purchase preference means the maximum limit of rates offered by a Class-I local supplier over the L-1 rate.
- 3.21 MP Tenders Portal means the authorized portal by Government of Madhya Pradesh for inviting tenders.
- 3.22 PQR (Pre-Qualification Requirement) means the pre-qualification prescribed for the tender.

4. Basic Principles of Purchasing:

It will be the responsibility and accountability of the competent authority for procurement in public interest to ensure efficiency, timeliness, frugality, transparency, quality and competitiveness in matters related to procurement as well as treat all suppliers fairly and equally to promoting micro and small industries of the state.

In case of inviting tenders on any one of the portal of GeM Portal or MP Tender Portal, it is mandatory to follow the Madhya Pradesh Store Purchase and Service Procurement Rules-2015 (as amended 2022). It is also binding to follow the Madhya Pradesh Store Purchase and Service Procurement Rules-2015 (as amended 2022) on purchases made through GeM portal.

5. Competent Authority for purchase:

The authority to grant approval for purchase shall be in accordance with the delegation of financial powers made by the State Government or authorized officer by general or specific order. These powers under corporations, boards and other semi-governmental institutions will be governed by the delegation of their financial powers.

6. Provision for procurement of services from State Government undertakings without inviting tenders:

- (i) The State Government may reserve certain commodities for purchase through a particular procurement agency. The commodity mentioned in Appendix-A shall be procured through the procurement agencies mentioned in the addendums to these Rules.
- (ii) The following institutions of government may be used in connection with the procurement of services shown before them. The competent purchasing officers may place orders directly to these institutions for procurement of the following services without inviting tender or procure the same through open tender:-

S. No.	Name of Organization	Service
1.	M.P. Madhyam	Services related to publicity, printing and event management
2.	Madhya Pradesh State Tourism Development Corporation	Services related to catering and event management
3.	Madhya Pradesh Text Book Corporation	Academic Books
4.	Madhya Pradesh State Electronic Development Corporation (MPSEDC)	Work related to software development, procurement and analysis of satellite images etc. and training related services & drone related services
5.	Centre for Entrepreneurship Development Madhya Pradesh (CEDMAP)	Training related services and outsourcing services
6.	Madhya Pradesh Public Health Services Corporation Limited	Rate Contract for Procurement of Drugs and Medical Devices
7.	M.P. State Cooperative Dairy Federation Ltd.	Milk and milk products

7. Purchase/Procurement of Unreserved goods:

The purchase of unreserved goods shall be done by the indenter in accordance with the provisions mentioned in rules 8, 9 and 10. In case the rates of such goods are available in GeM, the buyer may purchase the material from GeM. If the desired specifications are not available, the purchase can be made under the provision of the Store Purchase Rules.

In case of purchase from GeM portal, the reasonability of rate will be certified by the indenter. In case of purchase from GeM portal, the total estimated value of the goods to be purchased exceeds Rs. 2.50 lakh (Rupees Two lakh fifty thousand only) can be purchased by tender on GeM portal.

8. Purchase of goods up to Rs. 50,000/- without quotation:

For purchase of goods without quotation, unreserved goods worth up to Rs. 50,000/- (Rupees Fifty Thousand only) can be purchased through GeM Portal/Local Market on each occasion without inviting quotation or tender based on certificate by the competent authority.

This method can be used by the purchasing officer for a maximum of five times in a financial year under all budget heads.

9. Purchase by Departmental Purchasing Committee:-

For each government office, a departmental purchase committee of government servants posted in the office will be constituted by the head of the office. In semi-government institutions, departmental purchasing committees will be constituted by the senior-most officer of the institution (i.e., Managing Director, Commissioner, Chief Executive Officer). Based on the recommendation of the Departmental Purchase Committee, unreserved goods worth more than Rs. 50,000/- (Rupees Fifty Thousand only) and Up to Rs. 2,50,000 / - (Rupees Two lakh fifty thousand only) can be purchased on each occasion.

The Departmental Purchasing Committee shall consist of a minimum of three members of appropriate level, out of which as far as possible one member shall be knowledgeable in financial matters. The Committee will make a comparative study of the suitability, quality, specification, and delivery period etc. of products of at least three manufacturers available on the GeM portal and recommend the purchase of products from the manufacturer of the lowest rate on the following certificates:-

"It is certified that we the members of the Purchasing Committee are jointly and individually satisfied that the goods recommended for purchase, conforms to the required specifications and quality. "

This method cannot be used on more than five occasions in a year (under all budget head).

10. Regarding tenders:

10.1 Open Tender:-

- 10.1.1 If the estimated value of goods and services to be purchased exceeds Rs. 2.50 lakh (Rupees Two lakh fifty thousand only) or if it is not possible or desirable to purchase in the manner prescribed in Rule 9, the purchase process will be done through open tender. Tenders can also be invited through the <https://mptenders.gov.in> e-tendering system or GeM for open tendering. Tenders related to construction works (Tender of Works) can be invited as usual on the MP Tenders Portal.
- 10.1.2 In addition to the e-portal, a brief advertisement shall be published in at least one national daily newspaper and two State level newspapers with wide circulation and the details of the tender shall be made available on the portal.
- 10.1.3 Generally, a minimum period of 21 days shall be given for submission of tenders from the date of publication of the tender notice or from the date of uploading of the tender document on the portal, whichever is later. In special circumstances, short-term tenders may also be invited recording the reasons wherein the time limit for submission of the tender shall be a minimum of 14 days from the date of publication of the tender. Short tenders of less duration may be invited in the following cases:-
- (i) Possibility of loss of life.
 - (ii) Possibility of increase in financial burden on the State/indenter due to loss of assets or non-timely action.
 - (iii) The time limit for submission of tender may be a minimum of 3 days or 7 days from the date of publication of the tender. Thus, for a tender of 7 days, approval must be obtained from a category higher level officer from the tender sanctioning officer and approval from the administrative department for the tender of 3 days.
- 10.1.4 The reverse auction process available on GeM portal/e-tender portal can also be used.
- 10.1.5 The purchasing department may hire the services of M.P. Laghu Udyog Nigam for inviting open tenders on GeM/www.mptenders.gov.in for which a service charge of 0.5% of the tender price will be payable to the Corporation.

10.2 Tender for purchase from single source:

Purchase/procurement from a single source may be resorted to under the following circumstances:

10.2.1 It is in the knowledge of the user Department/Institution that only a particular firm is the manufacturer of the required goods.

10.2.2 In case of an emergency, it is necessary to purchase any required goods from a particular source and the reason for such decision should be recorded and the approval of a next higher authority shall be obtained from the Purchasing Officer for such purchase.

10.2.3 All purchases through single source tender should be made only through GeM portal. In case of non-availability of vendors on GeM portal, tender should be called under the provision of M.P. Store Purchase and Service Procurement Rules-2015 (as amended 2022). Rational decision regarding purchase through other means can be taken by the head of the department.

10.2.4 Before purchasing/procuring from a single source, a certificate of justification shall be issued by the competent authority of the Ministry/Department/Institution in the following form:-

(a) The desired goods have been manufactured by M/s
.....

(b) No other make or model is accepted for the following reasons:-
.....
.....

(c) Permission of the competent authority.

(Signed with designation of purchase/procurement officer)

10.3 Global Tender Inquiry (GTE):

Regarding the Global Tender Enquiry, instructions issued by the M.P. Government from time to time will be applicable.

11. Changes in Rules 7, 8, 9 and 10 can be made by a committee constituted under Rule 31.

12. Contents of tender documents:

The tender documents shall contain all the terms & conditions and information as under:-

Chapter 1 : Instructions for tenderers

Chapter 2 : Terms of Contract

Chapter 3 : Schedule of Expectations

Chapter 4 : Specifications and other related technical details

Chapter 5 : Price Schedule (to be used by tenderers to indicate their prices)

Chapter 6 : Contract Forms

Chapter 7 : Other standard forms, if any, used by the indenter/procurer and the tenderers

13. Maintenance Contract :

Depending upon the cost and nature of the goods to be purchased/procured, a maintenance contract may be entered into with the supplier of the goods or with any other competent firm for a suitable period as required. It will not be necessary to do this with the supplier of the goods.

14. Earnest Money Deposit:

14.1 Generally, the security of the tender shall be a minimum of 0.5% and a maximum of 3% of the estimated value of the goods to be purchased/procured. Earnest Money Deposit of Tender may be determined as per the estimated value of the goods to be purchased/procured as under:-

3% up to Rs. 10 crores

From Rs. 10 crores to Rs. 50 crore (1% of increased amount)

Over Rs. 50 crore (0.5% of increased amount)

However, micro and small enterprises and startups of Madhya Pradesh will be exempted from payment of earnest money deposit.

The exact amount of earnest money deposit of the tender will be determined by the department/procurement institution and will be indicated in the tender document. The earnest money deposit of the tender shall be paid electronically or by depositing in the form of demand draft, fixed deposit receipt, banker's cheque or bank guarantee form any commercial bank to the department's/procurer's account. The earnest

money deposit of the tender must be valid for a period of forty-five days after the last validity date of the tender.

14.2 The earnest money deposit of the failed tenderers shall be returned within a maximum period of 30 days after the expiry of the last validity date of the tender.

14.3 In the event of purchase by tender on GeM portal, the Earnest Money of the tender shall be accepted in accordance with the prevailing provision of GeM.

15. Performance Guarantee:

(a) In order to ensure proper execution of the contract, performance guarantee may be obtained from the successful tenderer as and when required. The amount of performance guarantee will normally be 3 per cent of the value of the contract. The amount of the performance guarantee can be deposited in cash or in the form of demand draft, fixed deposit receipt, banker's cheque and irrevocable bank guarantee of any commercial bank. The bank guarantee submitted will be verified by the concerned bank.

(b) The performance guarantee must be valid for a period of sixty days after the date of completion of all contractual obligations of the supplier including warranty obligations.

(c) On receipt of the performance guarantee, the earnest money deposit will be refunded/adjusted to the successful tenderer.

(d) In case of purchase on GeM portal by tender, Performance Guarantee will be accepted as per the prevailing provision of GeM.

16. Supply order to the supplier:

The supply order, determining the period of supply, will be issued by the indenter/procurement agency to the successful tenderer. It shall be the responsibility of the supplier to ensure the supply of the goods of required quality within the stipulated time period at the place mentioned in the supply order. In case of non-supply within the stipulated time period, penalty may be imposed on the supplier as per the terms of the tender.

17. Quality inspection of goods received through procurement agencies:

17.1 In order to ensure the quality of goods procured by the procurement agencies through them, all the goods can be inspected before supply.

17.2 The procurement agency may appoint an inspection agency for inspection who will inspect the goods at the production site before supplying it. After inspection at the production site, quality control seal/sticker will be

affixed on the goods inspected by the inspecting agency. Post supply, the agency will also carry out random inspection at the site to ensure that the goods are supplied as per specification.

17.3 Before payment, it shall be ensured that the goods has been inspected and conforms to the specifications.

17.4 In case the quality of the goods received is not conforming to the specifications, the indentor shall be required to inform the procurement agency through e-mail/e-portal within 7 days of receipt of the goods.

18. Payment:

18.1 Partial payment:-

Proportionate payment can be made to the supplier for the goods supplied by him as per requirement.

19. Delayed payment:

In case of delayed payment, penalty may be levied by the competent authority/council as per the procedure and rates mentioned in the Micro, Small and Medium Enterprises Development Act, 2006 of the Government of India.

20. Transparency, quality, competitiveness, justification and frugality in the purchasing/procurement process:

The following precautions are required to ensure transparency, quality, competitiveness and propriety in government purchase/procurement :-

- (1) The tender document should be self-evident and detailed and there should be nothing ambiguous in it. All the information required by a tenderer for submission of effective tender should be clearly stated in the tender document in simple language. The tender document should, inter alia, include the following:
 - (a) the eligibility and qualification criteria to be fulfilled by the tenderer,
 - (b) eligibility criteria for goods indicating any legal restrictions or conditions regarding origin of goods etc. which is required to be fulfilled by the successful supplier;
 - (c) the date, time and venue along with the procedure for sending tenders,
 - (d) date, time and place of opening of tender,
 - (e) Terms of supply,
 - (f) The tender document should contain appropriate provisions for

resolving disputes, if any, arising out of the resulting contract. Special conditions, if any, affecting the execution.

- (2) The tender document should contain a provision so that the tenderer may question the terms of the tender, the procedure for the tender and/or the rejection of his tender.
- (3) The tender document should clearly indicate that the resulting contract shall be defined in accordance with Indian laws.
- (4) The tenderers should be given reasonable time to submit their tenders.
- (5) Authorized representatives of the tenderers should be allowed to be present on the occasion of opening of the tender.
- (6) The specifications of the required goods should be clearly stated so that the prospective tenderers can submit meaningful tenders. In order to attract adequate number of tenderers, the specifications should be as detailed and generic as possible.
- (7) Where the Tendering Authority considers it necessary, appropriate provision should be made in the tender document for pre-tender conference. The tender document should mention the date, time and place of the pre- tender conference. This date should be sufficiently prior to the tender opening date.
- (8) The tender documents are required to mention the criteria for evaluation of tenders, based on which tenders received will be evaluated at the same level and the minimum supplier will be determined.
- (9) The tenders received shall be appraised in accordance with the terms and conditions already mentioned in the tender documents. No new conditions, which have not been mentioned earlier, will be included for evaluation of tenders.
- (10) Tenderers shall not be allowed to make changes or modifications in their tenders after the expiry of the stipulated time limit for receipt of tenders.
- (11) In case of advertised tender, tenders received late (i.e., tenders received after the specified date and time of receipt of tenders) shall not be considered.
- (12) After the opening of the tender, negotiations with the tenderers should be done in accordance with the instructions issued by the Finance Department.
- (13) In the rate contract system, where multiple firms are brought under rate

contract for the same goods, negotiations with the tenderers and counter offers of rates will be allowed. The duration of the rate contract will be 3 months.

The total supply under the rate contract should be fixed at a maximum percentage (up to 50 per cent) of the principal quantity. During this time, tenders should be invited for additional purchase, if necessary.

- (a) The rate contract in government procurement may be made under the following circumstances:-
 - (i) Those who have multiple buyers and require frequent purchases.
 - (ii) Maintenance related works.
 - (iii) Products which need urgency.
 - (b) The rate contract in government procurement cannot be made under the following circumstances:-
 - (i) Products for which the estimated quantity for purchase and the time of need therefor is known.
 - (ii) Products that are high technology based and technology is transformative. For example, electronic goods.
 - (iii) Products which are in demand occasionally.
- (14) In the event of a quantity tender, the contract may be awarded to the minimum tenderer, however, where the minimum acceptable tenderer for the ad-hoc requirement is not able to supply the required full quantity, the order for supply of the remaining quantity, as far as possible, may be placed on the next highest responsive tenderer at the lowest prescribed rates only if the rates offered by them are in the range of L-1+15 percent. The above contract can be awarded to maximum three tenderers, including L-1, in descending order. In view of the estimated value of the total demand, the demand for goods should not be purchased by dividing the demand to avoid the need to obtain approval/permission of the higher authority.
- (15) The name of the successful tenderer to whom the contract is awarded should be mentioned on the notice board or bulletin or website of the departments/procurement institution.

21. Buy Back Offer :

With the approval of the competent authority, it may be decided that in case of purchase of new and improved goods in place of existing goods, the Department may trade the existing old goods while purchasing new goods. For this purpose, an appropriate section will be inserted in the tender document so that prospective and interested tenderers can submit their rates accordingly. Based on the value and status of the old goods to be traded, the time and manner of handing over the old goods to the successful tenderer will be suitably mentioned in the tender document. A provision will also be made in the tender document to decide whether to trade the old goods or not while purchasing new goods by the department.

22. Special provisions for startups:

If the department wants to procure goods/services from startups of the State with a view to encourage them, then the following conditions will be included in the tender document:-

- (1) All departments/institutions of the government will be able to set a separate PQR for startups for tenders up to Rs. 1 crore. If the department thinks fit, startups can be exempted from PQR even for tenders above Rs. 1 crore, by giving reasons in writing. Startups may be exempted from all age-related qualifications such as experience, turnover etc. to participate in tenders up to Rs. 1 crore by all departments/institutions of the Government of Madhya Pradesh.
- (2) In tenders for services sector above Rs. 1 crore, the department may, if deemed appropriate, replace PQR with Proof of Concept. The allocation of work under the proposal received based on proof of concept or Swiss challenge may be done based on the recommendation of the Empowered Committee constituted as under:-
 - i. Chief Secretary, Government of Madhya Pradesh - Chairman
 - ii. Principal Secretary/Secretary, Department concerned- Member Secretary
 - iii. Principal Secretary/Secretary, Department of Micro, Small and Medium Enterprises
 - iv. Nominated representative of Principal Secretary, Finance Department
 - v. Nominated representative of C.E.O. Atal Bihari Vajpayee Institute of Good Governance and Policy Analysis, Bhopal
 - vi. Head, Madhya Pradesh Startup Centre
 - vii. Other invitees as required

23. Provision for priority to micro and small enterprises and startups of the State:-

23.1 Purchasing Priority:

The following provisions shall apply to the purchase of goods or products which will be approved for purchase from micro and small enterprises of the state by the committee constituted under Rule 31 :-

- (1) If the L-1 price does not belong to the micro, small and medium enterprises tenderers of the State, then goods will be purchased at L-1 rate from the micro, small and medium enterprises of the State, who have offered rates in the range of L-1+15 percent in the tender, subject to a maximum of 25 per cent to 50 percent, depending upon their capacity.
- (2) If the installed capacity of micro, small and medium enterprises tenderers located in the state is not sufficient to supply the ordered goods within the stipulated time period, then in that case, the remaining quantity will be allotted to the other two micro, small and medium enterprises of the state participating in the tender for supply at L-1 rate in descending order of rates offered by them.
- (3) In case of disagreement by the Micro, Small and Medium Enterprises (MSME) tenderer located in the State for the supply of goods at L-1 rate, the entire purchase shall be made from the L-1 rate presenter (example in respect of the rule is attached on Form "A").
- (4) Out of 25% of the annual purchase from micro and small enterprises, 4% shall be earmarked for purchase from micro and small enterprises owned by Scheduled Castes or Tribes entrepreneurs, but in case of failure by such micro and small enterprises to participate in the tendering process or meet the requirements of the tender and to reach the L-1 price, 4% identified for purchase from SC or ST owned enterprises will have to be met by other micro and small enterprises.
- (5) Out of 25% of the annual procurement from micro and small enterprises, 3% will be earmarked for procurement from micro and small enterprises owned by women. In the above 3 per cent, preference will be given to micro and small enterprises owned by women's self-help groups (example in respect of rules is attached on Form "B").

23.2 Other facilities to micro & small enterprises and startups of the State:

Micro & small enterprises and Startups of the State whose production capacity is twice the demand of the Government for the products that are to be promoted by the State Government may be reserved for cent percent purchase.

*23.3 Provision of priority in procurement of services for micro, small and medium enterprises of the State:

These provision will apply to those services whose list will be approved by the committee constituted under Rule 31 for procurement from micro and small enterprises of the State

- (1) In the tender invited for procurement of services, if the L-1 price does not belong to the micro, small and medium enterprises tenderers of the State, then services can be procured at L-1 rate from the micro, small and medium enterprises of the State, who have offered rates in the range of L-1+15 percent in the tender, subject to a maximum of 25 per cent to 50 percent, depending upon their capacity, as determine by the above committee.
- (2) If the capacity of micro, small and medium enterprises tenderers located in the state is not sufficient to provide the ordered service within the stipulated time period, then in that case, the remaining services will be allotted to the other two micro, small and medium enterprises of the state participating in the tender to provide at L-1 rate in descending order of rates offered by them.
- (3) In case of disagreement for providing service at L-1 rate by the Micro, Small and Medium Enterprises tenderer located in the State, entire work will be done from L-1 rate provider.
- (4) Out of 25% of the annual procurement of service from micro and small enterprises, 4% shall be earmarked for procurement of service from micro and small enterprises owned by Scheduled Castes or Tribes entrepreneurs, but in case of failure by such micro and small enterprises to participate in the tendering process or meet the requirements of the tender and to reach the L-1 price, 4% identified for procurement of service from SC or ST owned enterprises to be met by other micro and small enterprises.
- (5) Micro & small enterprises and Startups of the State whose capacity is twice the demand of the Government for the services that are to be promoted by the State Government may be reserved for cent percent procurement.

24. Purchasing preference to local suppliers:

The rules for giving priority to local suppliers in government procurement may be made in accordance with the recommendations of the committee constituted by the Department under the provision of Rule 31.

* Embedded as per Order No. F 9-20/2021/A-73, dated 06.07.2023 of Department of Micro, Small & Medium Enterprises in continuation of Memo No. F 9-20/2021/A-73, dated 16.04.2023

25. Procedure for purchase of reserved goods:

25.1 Appendix 'A'

Textiles/goods produced by handloom weavers and handicrafts of the State, textiles/goods produced by Madhya Pradesh Khadi and Village Industries Board, such goods of *Vindhya Valley* brand of the Board (KVIB) which are produced by registered institutions and the textiles sold under the "Khadi" brand of the Khadi and Village Industries Commission (KVIC), Government of India which are inscribed in Appendix-'A' and are subject to periodic revision, they will be procured from Sant Ravidas Handicrafts and Handloom Development Corporation, Bhopal and Madhya Pradesh Khadi and Village Industries Board at the rates fixed by them without inviting tenders. All Government Departments will give supply order of handloom textiles to the Managing Director, Sant Ravidas Handicrafts and Handloom Development Corporation, Headquarters, Bhopal and supply order of Khadi textiles to the Managing Director, Madhya Pradesh Khadi and Village Industries Board, Headquarters, Bhopal with 85% advance amount for supply of textiles to them. The supplying agencies will purchase yarn/raw material as per the requirement of textiles and produce it from the weavers of the State. If under any circumstances any department/undertaking wants exemption from this process, then they will have to get the approval of the Council of Ministers after taking the opinion of the Department of Cottage and Village Industries.

The process of purchasing for the goods included in Appendix "A":-

- 25.1.1 The order for delivery of textiles/goods without advance shall not be validated. The advance amount will be deposited in the account of Managing Director, Sant Ravidas Handicrafts and Handloom Development Corporation or Khadi Village Industries Board through RTGS/NEFT.
- 25.1.2 The order shall be fulfilled in accordance with the supply schedule submitted by the supplier and the purchasing Department/ Undertaking. If the textiles are not supplied within the stipulated time period or schedule, the time may be extended by the committee constituted under Rule 31.
- 25.1.3 Detailed instructions on the procedure to be followed in procurement pricing and supply will be issued by the Department of Cottage and Village Industries with the consent of the Finance Department.
- 25.1.4 Textiles manufactured by power loom weavers co-operative societies registered with the Cooperation Department only can be purchased from the Madhya Pradesh State Power loom Weavers Cooperative Federation Burhanpur without calling a tender.

- 25.1.5 Detailed instructions on the procedure to be followed in the pricing and delivery of textiles to be supplied by the Madhya Pradesh Power loom Weavers Cooperative Federation shall be issued by the Department of Micro, Small and Medium Enterprises.
26. (i) Goods produced by the persons detained in jail can be purchased at the rates fixed by the Department of Jail without calling a tender.
- (ii) The goods produced by the Government Departments/Undertakings themselves can be purchased directly at the rates fixed by them. The rates of these goods will be determined by the following Committee:-
- i. Principal Secretary/Secretary, Department of Micro, Small and Medium Enterprises - Chairman
 - ii. Nominated Representative of Principal Secretary, Finance Department
 - iii. Principal Secretary/Secretary, School Education Department, Women and Child Development Department, Home Department, Revenue Department, Tribal Welfare Department
27. Compliance of these rules shall be exempted in the following circumstances:-
- (a) Natural disasters, riots, fire accidents.
 - (b) Where goods are to be procured under externally funded projects (World Bank, A.D.B. etc.) in accordance with their terms and conditions, their purchase shall be made on their terms and conditions. For this, there will be relaxation in these rules. In case the funding institutions in a project do not have any conditions and rules in this regard, the purchase of goods will be done in accordance with these rules.
28. In public interest, the administrative department will be able to procure through open tender after obtaining noobjection from the institutions mentioned in Rule-6.
29. The purchase order shall be sent by the indenter to the supplier agencies either through e-mail or portal.
30. From the date of commencement of the above rules, all orders, instructions/ rules issued earlier for M.P. Store Purchase and Service Procurement Rule shall be ineffective; however, incomplete proceedings of purchase of stores/service procurement initiated under the earlier rules may be completed under the earlier rules.

31. In case of any query regarding the interpretation of these rules, clarifications/ instructions for implementation under these rules shall be issued by the departments after the approval of the following Committee:-

- i. Chief Secretary, Government of Madhya Pradesh - Chairman
- ii. Principal Secretary, Government of Madhya Pradesh, Finance Department
- iii. Principal Secretary/Secretary, Department of Industrial Policy and Investment Promotion
- iv. Principal Secretary/Secretary, Department of Micro, Small and Medium Enterprises

Appendix - 'A'

(See Rule 6)

Procurement Agency

- (1) Sant Ravidas M.P. Handicrafts and Handloom Development Corporation
- (2) M.P. Khadi and Village Industries Board
- (3) Madhya Pradesh State Power loom Weavers Cooperative Federation Ltd.,
Burhanpur

S. No.	Sant Ravidas M.P. Handicrafts and Handloom Development Corporation	M.P. Khadi and Village Industries Board	Madhya Pradesh State Power loom Weavers Co-operative Federation Ltd., Burhanpur
1.	Gauge & Bandage	-	-
2.	Sheet/bed spread	Sheet/bed spread	-
3.	-	Curtains & Upholstery	-
4.	-	Cotton, woolen carpets	-
5.	-	Cotton, woolen flooring	-
6.	-	blanket	-
7.	-	Woolen shawl	-
8.	Blazer Fabric (Woolen)	Blazer Fabric (Woolen)	-
9.	Mosquito-net/ Mosquitonet cloth (cotton)	-	-
10.	Duster/Basta Cloth	Duster/Basta Cloth	-
11.	Table cloth	Table cloth	-
12.	Towel/Napkin	Towel/Napkin	-

S. No.	Sant Ravidas M.P. Handicrafts and Handloom Development Corporation	M.P. Khadi and Village Industries Board	Madhya Pradesh State Power loom Weavers Co-operative Federation Ltd., Burhanpur
13.	Uniform of male employee - paint, shirt, cap cloth	Uniform of male employee - paint, shirt, cap cloth	Uniform of male employee - paint, shirt, cap cloth
14.	Uniforms of female employees - sarees, blouses, petticoats, and salwar suit cloth	Uniforms of female - sarees, blouses, petticoats, and salwar suit handloom cloth	Uniforms of female - sarees, blouses, petticoats, and salwar suit cloth
15.	Fabrics made of all kinds of cotton, woolen, silk and mixed mill made yarn	Fabrics made of all kinds of cotton, woolen, silk and mixed hand spinning thread	Fabrics made of all kinds of cotton, woolen, silk and mixed hand spinning thread
16.	Fancy file covers/bag (made of hand-printed fabric)	Fancy file covers/bag (made of hand-printed fabric)	-
17.	Office decoration items such as paintings of tribal folk art, sculptures etc.	Office decoration items such as paintings of tribal folk art, sculptures etc.	-
18.	-	Leather (raw-tanned), leather shoes, slippers, belts, jackets, bags, briefcases, pistol/revolver cover	-
19.	-	Incense sticks, laundry soap, honey, prepared spices, mustard oil, pickles, papad	-
20.	-	-	Tailored coat

Part - 2 Procurement of Services

32. Preface :

Departments may hire external professionals, consultancy firms or consultants (hereinafter referred to as consultants) for a specific job whose content and time frame for completion of the work is defined. In addition, departments will also be able to outsource certain services as per requirement. Detailed instructions in this regard may be issued by the concerned departments as per their specific requirement.

33. Identification of work/services to be performed by consultants:

Consultants can be appointed for high quality services for which the Department does not have the requisite expertise. The approval of the competent authority must be obtained before appointing consultants.

34. Competent Authority for Service Procurement:

The powers to grant sanction for procurement of services shall be in accordance with the delegation of financial powers made by the State Government or officer authorized by general or specific order. These powers under corporations, boards and other quasi-government institutions shall be governed by their rules/bye-laws/delegation of financial powers.

35. Scope of the Required Service :

The purpose, requirement and scope of work assigned by the departments in simple and clear language will have to be fixed. The eligibility and qualification criteria to be fulfilled by the consultants must be clearly mentioned at this stage.

36. Estimated Expenditure :

Before appointing consultants by the department, the expenditure on it will be assessed based on prevailing market conditions and consultation with other organizations engaged in similar activities.

37. Identification of Likely Sources :

- (i) Where the estimated value of the work or service is up to Rs. 5.00 lakhs in a year, a detailed list of potential consultants may be prepared by the concerned department based on formal or informal enquiries from other departments engaged in similar activities, association of commerce and industry, consultants, associations of firms etc.
- (ii) Where the estimated value of the work or service is more than Rs. 5.00 lakhs, in addition to the above (i), a brief advertisement shall be given by the concerned Department inviting Expression of Interest (EOI) of consultants in at least one National Daily newspaper and two State Level Newspapers or on GeM/www.mptenders.gov.in. The detailed description of the

advertisement will also be made available on the website of the department. While inviting expression of interest (EOI), a brief description of the area of service, qualifications to be fulfilled by the consultant and earlier experience of the consultant etc. will be required. Comments may also be invited from consultants on the projected work or service objectives and scope. A minimum period of 21 days will be given from the date of publication of the advertisement for receiving proposals from interested consultants.

38. Shortlisting of Consultants:-

Based on the proposal received from the interested consultants, the consultants who meet the prescribed requirements will be selected for further consideration. The number of consultants so selected shall not be less than three.

39. Subject matter (Terms of Reference) :-

The subject matter should include the following :-

- (i) Precise Statement of Objectives;
- (ii) Outline of the tasks to be carried out;
- (iii) Schedule for completion of tasks;
- (iv) The support or inputs to be provided by the department to facilitate the consultancy;
- (v) The final outputs that will be required of the consultant

40. Preparation and issuance of Request for Proposal (RFP) :

The RFP document will be used by the department to get proposals from consultants for the work/service required. A letter of request will be issued to the selected consultants inviting technical and financial proposals in the two-bid system. R.F.P. will include the following topics:

- (i) Information on the procedure for submission of proposals to the consultants.
- (ii) Terms of Reference (TOR)
- (iii) Eligibility and pre-qualification criteria (in case of non-ascertainment of eligibility and qualifications criteria through expression of interest)
- (iv) List of key personnel of the consulting team, whose academic and professional qualifications and experience will be assessed,
- (v) Tender evaluation criteria and selection process
- (vi) Standard format for technical and financial proposal

- (vii) Terms of the proposed contract
- (viii) Mid-term review of the progress of work, and
- (ix) Proposed procedure to be followed for review of the final draft report.

41. Delayed Tender :

Delayed tender i.e., tender received after the specified date and time will not be considered.

42. Evaluation of Technical Tender :

The technical tender will be analyzed and evaluated by the evaluation committee constituted by the concerned department. This Committee will record in detail the reasons for acceptance or rejection of the technical proposals analyzed and evaluated.

43. Evaluation of financial proposals of technically qualified tenderers:

The department will open only the financial proposals of those tenderers who have been declared technically eligible by the evaluation committee. The successful tenderer will be selected by the concerned department after evaluating and analyzing the financial proposal opened in this manner as per the terms of the RFP.

43.1 Under the QCBS (Quality and Cost Based Selection) method, the tendering Department may issue tenders through the QCBS process, but for this, prior permission of the Administrative Department will be required.

43.2 Department can directly issue RFP without issuing an EOI.

43.3 If no service charge is indicated by a tenderer in the tender for procurement of services or zero service charge is shown, the tender of that tenderer should be rejected and not considered.

44. Consultancy by Nomination:

Government corporations/undertakings/boards, cent-percent owned by the Government, can be selected as a consultant under special circumstances in the public interest.

45. Monitoring the Contract:

The performance of the consultant will be continuously monitored by the department so that the results are in line with the objectives.

46. Outsourcing of Services:

The department will be able to outsource services as per requirement in terms of frugality and efficiency.

47. Identification of likely Service Provider:

The department will prepare a list of likely service providers through formal or informal enquiries from other departments and organizations engaged in similar works, business journals, websites etc.

48. Preparation of tender :

The department will prepare a tender document for the outsourcing work, which inter alia shall specify the following:

- (i) the particulars of work or service to be done by the contractor,
- (ii) the facilities and information provided by the Department to the contractor,
- (iii) eligibility and qualification criteria to be fulfilled by the contractor to perform the required work/service, and
- (iv) Statutory and contractual obligations to be followed by the contractor.

49. Invitation of Tenders/Bids :

- (a) For work or service with an estimated value of Rs. 5.00 lakh or less, the Department shall examine the preliminary list of potential contractors under Rule 52 and select prima facie eligible and competent contractors and invite proposals as per the procedure laid down in Rule 10. The number of contractors so identified for the tender should not be less than three.
- (b) Open tender will be invited by the Department on GeM or www.mptenders.gov.in for work or service with an estimated value of more than Rs. 5.00 lakh. For this, a brief advertisement will be given in one widely circulated national daily newspaper and two state level newspapers. The details of the tender will be made available on the website of the department. A minimum period of 21 days will be given from the date of publication of the tender for receipt of the proposal. The proposals will be invited through the two-bid system.

50. Delayed Tenders/Bids:

Delayed tender i.e., tender received after the specified date and time will not be considered.

51. Evaluation of Technical Tenders/Bid:

The technical tender will be analyzed and evaluated by the evaluation committee constituted by the concerned department. This Committee will record in detail the reasons for acceptance or rejection of the technical proposals analyzed and evaluated.

52. Evaluation of Financial Tenders/Bid:

The department will open only the financial proposals of those tenderers who have been declared technically eligible by the evaluation committee constituted by the department. The successful tenderer will be selected by the concerned department after evaluating and analyzing the financial proposal opened in this manner as per the terms of the tender.

53. Monitoring the contract:

The performance of the consultant will be continuously monitored by the department so that the results are in line with the objectives.

54. Instructions to blacklist suppliers:

- (1) Blacklisting of a firm means that all departments of the State Government shall not deal with that firm, the reasons for which the name of a firm may be blacklisted are :-
 - 1.1 Supplier organizations/institutions, etc. for actions contrary to the tender conditions by the Buyer Department;
 - 1.2 If it is necessary to do so in terms of security measures, including the question of maintaining allegiance to the State;
 - 1.3 If there are reasonable reasons to believe that the owner or employee or representative of the firm has been the perpetrator of misconduct such as bribery, corruption, fraud, change of tender, projection, etc.;
 - 1.4 If the firm fraudulently refuses to pay the dues of the Government without assigning sufficient reasons and the Government is satisfied that the reason for this refusal is not a reasonable dispute which requires arbitration or court proceedings;
- (2) Orders for inclusion of names in the blacklist on the basis mentioned above shall be given by the Head of the Department. These orders can be issued on the report of the competent authority. An appeal against this decision can be made to the administrative department.
- (3) There will be a portal to make public the information of the blacklisted firm. In the tenders to be invited by the buyers, a declaration should be obtained from the tenderer regarding not being blacklisted by any department/institution.
- (4) Generally, issuing such orders would mean that all transactions carried out by all departments of the State Government with the firm for the next three years shall be prohibited. While informing other departments of such order, the authority issuing the order for inclusion of name in the blacklist shall mention the following :-

- 4.1 The reasons based on which the name has been blacklisted;
 - 4.2 The black listing shall be effective for a maximum period of three years from the date of issue of an order to this effect;
 - 4.3 All the directors of the concerned company, all partners of the concerned LLP (Limited Liability Partnership), all partners in the case of a partnership firm, the name of the proprietor in the case of a proprietorship company, will be recorded.
- (5) The provisions of Rule 54(4) also apply to all those companies/LLP (Limited Liability Partnership)/Partnership firms in which one of the persons mentioned in Rule 54(4)(4.3) is also a Director/Partner/Proprietor. For example -
- 5.1 Supplier "A" is a partnership firm in which K, L, M are partners and supplier "A" has been blacklisted by any department or institution of the Government of Madhya Pradesh.
 - 5.2 Company/firm "B" is an entity in which "K" is a partner.
 - 5.3 In the above circumstances, the provisions mentioned in 54(4) of the blacklists will also apply to firm "B".
- (6) The orders mentioned in Rule 54(1) shall not come into force with retrospective effect. If the work order/supply order has been issued to the partner, director, proprietor, etc. of the blacklisted firm prior to the blacklisting, the same will not be affected by the blacklisting.
55. Government procurement in accordance with the circular issued by the Government of India by the suppliers of service/goods and other works or beneficially owned suppliers of the countries bordering the country :
- This rule can be followed by the departments at their own level with the consent of the Finance Department.
56. The rules/instructions issued by the Government of India from time to time regarding purchase and procurement of services may be followed by the departments at their own level with the consent of the Finance Department.

Examples regarding Rule 23.1(1), (2) and (3) regarding giving priority in purchase to micro and small enterprises and Startups of the State-

For example, a tender has been invited by the purchasing department for the purchase of 100 chairs. Under this tender, 25 chairs are to be purchased from micro and small enterprises of the State. 5 tenderers participated in this tender and submitted their rates. The status of the tenderers participating in the tender and the rates offered by them are as follows:-

S. No.	Tenderer	Type of Tenderer	Offered Rate	Status of rates
1.	A	Authorized dealer	110.00	L-2
2.	B	Micro and Small Enterprises of the State	112.00	L-3
3.	C	Micro and Small Enterprises of the State	120.00	L-5
4.	D	Other Enterprises/ Tenderers	100.00	L-1
5.	E	Micro and Small Enterprises of the State	115.00	L-4

- (i) The minimum rate (L-1) in the tender has been Rs. 100.00
- (ii) Tenderers B, C and E are micro and small enterprises of the State by which they have participated in the tender.
- (iii) The rates offered by tenderers B and E are in the range of L-1+15 per cent, hence they are eligible for supply of goods.
- (iv) Tenderer C is a State micro and small enterprises, but the rates offered by them are exceed the limit of L-1+15 per cent, hence they are not eligible to supply the goods.
- (v) The position of rate offered by tenderer B is L-3 and the position of rate offered by tenderer E is L-4. In this case, firstly L-3 tenderer has to obtain consent for supply at L-1 rate. In case they give their consent, they have to be supplied.
- (vi) In case of disagreement by tenderer B, for supply of 25% quantity at L-1 rate, consent has to be obtained from tenderer E whose offered rates position is L-4.
- (v) In case of disagreement expressed by micro and small enterprises of the State for supply or do not have the capacity to supply the ordered quantity within the stipulated time frame, the quantity reserved for micro and small enterprises of the state shall be purchased from the L-1 tenderer, irrespective of the category of enterprise or tenderer from outside the state.

Examples regarding rule 23.1(4) and (5) regarding giving priority in purchasing to micro and small enterprises and startups of the State-

S. No.	Particulars	Purchase/Purchase Amount in Rs.
Let the total purchase amount be Rs. 100.		
1.	Total purchases from micro and small enterprises	25
	(a) Purchase from micro and small enterprises owned by SC/ST category	04
	(b) Purchase from micro and small enterprises owned by women (micro and small enterprises owned by women's self-help groups will be preferred)	03
	(c) Purchase from other micro and small enterprises	18
	Total -	25
2.	Purchase from L-1	75
	Total Purchase -	100

Various methods for procurement of unreserved goods

S. No.	Particulars	Limit set for purchase	Where to buy from?
1.	Purchase without Quotation*	Up to Rs. 50,000/- on each time	Purchase through Local Market/ GeM Portal
2.	Purchase by Departmental Purchase Committee**	Above Rs. 50,000/- and up to Rs. 2.50 lakhs	Purchase from GeM portal
3.	Purchase by Open Tender	Price above Rs. 2.50 lakhs	By open tender, open tender is invited through the e-tendering system of the mptenders.gov.in or GeM as well as other portals authorized by the government from time to time.
4.	Purchase by Single Source	-	Purchase from GeM portal
5.	Limited Tender	-	This provision has been deleted

Note :-

* This method can be used by the purchasing officer up to a maximum of five times in a financial year under all budget heads.

** This method cannot be used on more than five occasions in a financial year (in the entire budget head).

Changes in the above-mentioned provisions may be made by a committee constituted under Rule 31.

Note : This document is English translation of "*Madhya Pradesh Bhandar Kray Evam Sewa Uparjan Niyam 2015* " Yatha Sanshodhit 2022 (Hindi Version)



Government of Madhya Pradesh
Department of Micro, Small and Medium Enterprises

