



OFFICE MEMORANDUM

File No. FA-R- 3/08 - 4666 W, Dated. 12.3.08

Sub:- Validation and enablement of procurement process through e-procurement by Government of Orissa – Issue of orders there of.

1. 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 vis-à-vis "Reforms in the Procurement Process", the Government of Orissa desires to introduce procurement in the electronic mode i.e. 'e-procurement' and has taken up 'e-procurement project' as one of the core IT initiatives. To fulfill the objective, the Government of Orissa has set up an 'e-Procurement Mission' and has sought the service of National Informatics Center, New Delhi to design, develop & customise the software. E-Procurement Mission and PMU of OCAC will do the overall programme management. The project shall cover the procurement of 'civil works' costing Rupees three crores or more in the pilot phase and shall be implemented in the N.H. wing of the Works Department and Water Resources Department. Subsequently the e- procurement shall be extended to all the departments for all types of 'work' including procurement of 'goods' & 'services', costing above Rs.10 lakhs.
2. In the event of successful completion of the pilot and readiness to roll out e-procurement across all Government Departments and organizations, Government of Orissa authorized the Water Resources, Rural Development, Housing & Urban Development Department and other wings do WorksDepartment to adopt e-procurement processes in place of conventional processes for works costing more than Rs 3.00 crores. Till such time conventional process will be in force in all other Government Departments except the projects identified by the respective Administrative Department for inclusion in the pilot phase. But pilot phase being a transition phase, the bids will be received both online and offline. The e-procurement system in general shall cover the activities but not limited to the following:

- a. Publishing notices inviting bids/ tenders
 - b. Release / sale of bid/ tender documents
 - c. Receipt of bids (with DSC authentication)
3. The prevalent procurement practice (manual mode) has already been documented as the "As Is" process and the desired end product, here in after known as the "To Be" process, has already been firmed up and 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, have been identified. The e-procurement shall be operated compliant to relevant provisions of OGFR/ OPWD code/ Accounts code/ Government statues including any amendments brought from time to time to suit to the requirement of the best national practice.
4. The Government in Works Department after careful consideration and detailed examination hereby decided to undertake Procurement through electronic processes defined initially in the firmed up "To Be processes" in the roll out phase covering works valued upto Rs.10.00 lakhs and above and any amendment to be brought in to remove any deficiencies. The Government has further decided that notwithstanding any existing provisions of the Orissa Public Works Department code as well as other orders and executive instructions in force, e-procurement processes shall be valid for procurement of 'works' and for entrustment of contracts for all civil engineering projects on the strength of this Office memorandum. **Specific process shall be notified by the Works Department in due time.**
5. The Government desires to provide a smooth transaction to the e-procurement and thereby considers that the bids for the 'Works' which will be taken up during the pilot phase, will be received both in the conventional method (Offline) and electronic mode (Online) till such time the Government declares to stop bids in conventional method.
6. The e-procurement market place, during this pilot phase, shall provide an online self-service registration facility, herein after known as the portal enrollment/ portal Registration, to such of the contractors, who are already registered with Government of Orissa. As an incentive for early portal enrollment, basic registration by contractors, that allows them to participate effectively in the e-procurement process, shall be enabled by the software without levy of any extra registration or subscription fee initially.

7. However, the e-procurement market place, may levy charges for such value-added services. Contractors registered out side Orissa, can participate after necessary portal enrollment but have to subsequently undergo registration with the appropriate authority of the State Government before award of the work as per the available registration norms.
8. Works Department shall issue necessary amendments/ changes in the existing procedure as deemed necessary for switching over from the conventional/ existing procurement processes to equivalent e-procurement process. Pending the issue of necessary amendments/ changes after successful completion of the pilot phase, the present Office Memorandum would be construed to authorize the implementing Departments to deploy e-procurement for their procurement functions, beyond the ceiling earmarked here in above.
9. All the sub-ordinate offices shall constitute a 'Procurement Cell' to oversee the procurement process of implementation. The 'e-procurement Mission' of Orissa and OCAC & NIC as the service provider shall initially guide the 'Cell' to identify logistic supports, train the staffs and Contractors and above all 'hands on experience' during pilot phase.
10. The digital signature certificate will be issued to the Department users, through the NICCA (Agency of NIC) on payment of usual cost. The contractors/ suppliers/ service providers shall obtain the DSC's from any of the certifying Authorities by CCA e.g. TCS, n-Code & Sify etc with immediate effect.
11. The electronically submitted bids may be permitted to be opened by a Bid Inviting Authority or a member of the BID Security Committee from their new location if they are transferred after the issue of Notice Inviting Bid and before bid opening and the new incumbent is yet to obtain his digital signature. Further, action on bid documents shall be taken by the new incumbent of the post.
12. In case any bidder asks for a clarification on the bid documents before '48 hours of the opening of the bid, the Bid Inviting Authority shall ensure that a reply is sent and copies of the reply to the clarification sought shall be communicated to all those who have purchased the bid documents without identifying the source of the query and upload such clarification to the designated website for the information of those who have downloaded the bid documents from the website.
13. The bid document shall be permitted to be submitted to the designated website while documents such as EMD, certificates may be sent in physical form.

- 14. The Bid Inviting Authority shall ensure that adequate arrangements are made for the proper receipt and safe custody of the bids at the place indicated for receipt of the bids. Such of the bids that are received through electronic mail shall be kept electronically locked. Orders on the procedure for e-procurement if Bid Security/ Earnest Money Deposit which have to be made through e-payment gateway shall be issued separately once the e-submission of bids become fully operational.
- 15. Any bid received beyond the closure time shall not be opened and shall be returned unopened to the bidders and in case of bids submitted through e-procurement, a report on the late submission of bids shall be granted and the same shall be sent back to the bidder's concerned.
- 16. Provision of this order will be reviewed at the end of the pilot project.
- 17. This has been concurred in by the Department of Information Technology in their UOR No.2/IT, dated 11.1.2008, Law Department in their UOR No.73/L, dated 14.1.2008 and Finance Department in their UOR No 10-ES-3/F, dated 15.1.2008

Sd/- S.K. Ray

EIC - cum- Secretary to Government

Memo No. 4667

AW, Dated. 12.3.08

Copy forwarded to P.S. to Hon'ble Minister, Finance, Orissa/ P.S. to Hon'ble Minister, Works, Housing, Orissa for information and necessary action.

FA- cum-Addl. Secy. to Govt.

Memo No. 4668

AW, Dated. 12.3.08

Copy forwarded to OSD to Chief Secretary, Orissa/ P.S. to Development Commissioner- cum-Additional Chief Secretary, Orissa/ P.S. to Principal Secretary to Chief Ministr. Orissa for information and necessary action.

FA- cum-Addl. Secy. to Govt.

Memo No. 4669

AW, Dated. 12.3.08

Copy forwarded to Finance Department/ Department of Water Resources/ Housing & Urban Development Department/ Rural Development Department/ Panchayati Raj Department/ Department of Information Technology/ Law Department/ all other Departments/ Managing Director, OB & CC Ltd./ Managing Director, O CC Ltd for information and necessary action.

FA- cum-Addl. Secy. to Govt.

Memo No. 4670 /W, Dated. 12.3.08

Copy with soft copy forwarded to the Head, State Portal Group, IT Centre, Ground Floor, North Annexe of Secretariat for information and necessary action.

He is requested to display this office memorandum in the web-site of State Government.

[Signature]
FA- cum-Addl. Secy. to Govt.

Memo No. 4671 /W, Dated. 12.3.08

Copy forwarded to EIC (Civil), Orissa /EIC, Water resources, Orissa/ FA-cum-Addl. Secy. to Govt., R.D. Deptt./ Chief Engineer, DPI & Roads, Orissa/ Chief Engineer, Buildings, Orissa/ Chief Engineer, N. Hs., Orissa/ Chief Engineer, R.D. & Q.P., Orissa/ Chief Engineer, World Bank Project, Orissa/ Chief Architect, Orissa/ Chief Engineer, Water Resources, Orissa/ Chief Engineer, R.W.-I, Orissa/ Chief Engineer, R.W.-II, Orissa/ Chief Engineer, P.H.(Urban), Orissa/ Chief Engineer, Electricity, Orissa/ FA-cum-Joint Secy. to Govt., Water Resources Deptt./ FA-cum-Joint Secy. to Govt., H&U.D. Deptt./ FA-cum-Joint Secy. to Govt., Energy Deptt./ Special Officer-cum-Joint Secy. to Govt., Fin. Deptt for information and necessary action.

[Signature]
FA- cum-Addl. Secy. to Govt.

Memo No. 4672 /W, Dated. 12.3.08

Copy forwarded to the Accountant General (A&E), Orissa, Bhubaneswar/ Senior D.A.G. (Works Audit & Projects), Orissa, Puri for information and necessary action.

[Signature]
FA- cum-Addl. Secy. to Govt.

Memo No. 4673 /W, Dated. 12.3.08

Copy forwarded to the Director, Printing, Stationary & Publication, Orissa, Cutack for information and necessary action.

He is requested to publish this amendment in the next issue of Orissa Gazette.

[Signature]
FA- cum-Addl. Secy. to Govt.

Memo No. 4674 /W, Dated. 12.3.08

Copy forwarded to all Officers/ Superintending Engineers/ Executive Engineers/ Sections/ P.S. to EIC-cum-Secretary to Govt., Works Department/ 20 (twenty) spare copies to Guard file for information and necessary action.

[Signature]
FA- cum-Addl. Secy. to Govt.

[Handwritten initials]