

1

No.98/ORD/1
Government of India
CENTRAL VIGILANCE COMMISSION
.....

Satarkta Bhavan, Block 'A',
G.P.O. Complex, I.N.A.,
New Delhi -110023
Dated the 6th April, 2004

Office Order No. 20/-4/04

Sub: Improving Vigilance Administration: Increasing Transparency and cutting delays by e-payments and e-receipt by Govt. Organisations etc. .

The Commission has been receiving complaints about inordinate delays in making payments to the vendors and other suppliers to the Govt. organisations, Public Sector Undertakings etc. Similarly complaints are received about delays in getting refunds from taxation dept and other departments. Apart from increasing the cost of procurement, the delays lead to opportunities for corruption. A number of measures are required to cut down on delays in making payments. One such step is resorting to mechanism of e-payments and e-receipts wherever such banking facilities exist

In the last few years tremendous progress has been made by the banking sector in computerization including net-working of branches, making it possible to do e-banking by making use of facilities like electronic clearing system (ECS) and Electronic Fund Transfer (EFT) etc. These facilities are available in most of the banks including the State Bank of India as well as in private banks. A large number of corporates including public sector undertakings are already making e-payments to vendors and employees instead of making payments by issue of cheques.

The Commission has been receiving complaints that delay is intentionally caused with ulterior motives in the issue and dispatch of cheques in the accounts and finance wings of a large number of Govt. Organisations. As the e-payment facility is already available in the metros as well as practically in all the main urban centres of the country, in order to curb the above mentioned malpractices, the eve in the exercise of powers conferred on it under Section 8(1) (h) issues following instructions for compliance by all govt departments, PSUs, banks and other agencies over which the Commission has jurisdiction.

1. The payment to all suppliers/vendors, refunds of various nature, and other payments which the organisations routinely make shall be made through electronic payment mechanism at all centres where such facilities are available in the banks.
2. Salary and other payments to the employees of the concerned organisations at such centres shall also be made through electronic clearing system (EGS) wherever such facilities exist

As the organisations will have to collect bank account numbers from the vendor, suppliers, employees and others who have interface of this nature with the Govt. organisations, the concerned organisations may plan to switch over to e-payment system in a phased manner starting with transactions with the major suppliers in the beginning or in whatever manner is found more convenient.

It is expected that in three months i.e. by 1st July, 2004, 50% of the payment transactions both in value terms as well as in terms of number of transactions shall be made through ECS/EFT mechanism instead of payment through cheques. The remaining 50% payment transactions at all centres where such facilities exist shall be made by 31st Dec., 2004.

These instructions are applicable to, all the metro cities and other urban centres where the banks provide ECS/EFT and similar other facilities.

The departments, PSUs, Banks etc. should also provide an enabling environment and facilities so that businessmen and other citizens can make payment of Govt. dues and payments to PSUs etc. electronically.

In addition to significantly reducing processing costs in preparation and dispatch of cheques, the above measures also, reduce the risk of frauds by providing speed, efficiency and easier reconciliation of accounts.

Sd/

(ANJANA DUBE)
DEPUTY SECRETARY

To,

- i) The Secretaries of All Ministries/Departments of Government of India.
- ii) The Chief Secretaries to all Union Territories:
- iii) The Comptroller. & Auditor General of India."
- iv) The Chairman, Union Public Service Commission
- v) The Chief Executives of all PSEs / Public Sector Banks / Insurance Companies / Autonomous Organisations / Societies.
- vi) All Chief Vigilance Officers in the Ministries / Departments / PSEs Public Sector Banks / Insurance Companies / Autonomous Organisations / Societies.
- .vii) President's Secretariat / Vice-President's Secretariat / Lok Sabha Secretariat / Rajya Sabha Secretariat / PMO.

**NOTE : This Government letter circulated to all PCsDA/CsDA under CGDA
New Delhi Letter no. A/III/12157/ECS-COMM dated : 17/04/2006**

OFFICE MEMORANDUM**Subject: Introduction of mandatory e-procurement ..**

1. Reference is invited to this Department's OMs no.8(5)/E.ii(A)/2006 dated July 05, 2006 and January 10, 2007 on the above subject \. Introduction of mandatory e-procurement is one of the Thrust Areas of Action approved by the Prime Minister for 2007. The Apex Committee chaired by the Cabinet Secretary on various Mission Mode Projects (MMPs) of e-governance as well as the Prime Minister's Office would be monitoring the progress made in this regard.
2. In terms of the above instruction, the Ministries/Departments are required w.e.f April 1,2007, to mandatorily place supply orders in respect of all goods covered under the rate contracts (RC) concluded by the Director General (Supplies and Disposal) (DGS&D) only through the website of DGS&D. DGS&D has created helpdesks and made arrangements to provide any assistance required in this connection. All the Ministries/Departments are requested to take necessary steps to complete this mission mode project.
3. To facilitate monitoring, the Ministries/Departments are advised to nominate specifically designated officials, one for each Department, to act as nodal officers and send us a monthly progress report by 5th of succeeding month in the enclosed proforma.*

***Not up.**

Sd/-
(Dr. S.C. Pandey)
Officer on Special Duty
(Policy & Co-ordination)

All Ministries/Departments of the Government of India
MOD(Finance) DAD(Coord) ID No. F.10 (2) C/07 dated 10/04/2007

G.OI., Min of Pers, P.G & Pension, Dept. of Per. & Trg., O.M No. F. No. 14/12/94-Welfare (Vol. II), dated 5-7-2007

SUBJECT : Local purchase of stationery and other articles from Kendriya Bhandar, NCCF and other Multi-State CO-operative Societies having majority shareholding by the Central Government

In terms of Department of Personnel and A.R's a.M. No. 14/14/80-Welfare, dated 14-7-1981, it was made incumbent on all Central Government Departments, their attached and subordinate offices and other organizations financed and / or controlled by the Government located at Delhi/New Delhi to make all local purchases of stationery and other items required by them only from the Central. Government Employees Consumer Co-operative Society Ltd. (Kendriya Bhandar) New Delhi. Only if the Society was not able to supply a particular item, was it permissible for them to make local purchase from other sources. Subsequently, instructions were issued in 1987 and 1994 bringing Super Bazar and NCCF (National Consumer Co-operative Federation) under the purview of DoP&T OM, dated 14-7-1981.

2. After the issuance of new General Financial Rules, 2005 the above dispensations stood withdrawn from 1-7-2005.

3. The matter has since been reviewed in consultation with the Department of Expenditure. The concept of providing an assured market to Kendriya Bhandar (KB), NCCF or any other MSCS is not in keeping with the concept of liberalization of the economy and making the Government organizations competitive and self supporting through open competition. However, keeping in view the avowed objectives of the co-operative movement to ensure supply of goods. and services to the consumers at the most economical and competitive prices and taking note of the changed concepts of marketing, it has been decided to adopt the following dispensation in respect of an Central Government Departments, their attached and subordinate offices and other organizations financed and/or controlled by them in making the local purchases of stationery and other items from KB/NCCF.

- (a) Under Rule 145 of GFRs, 2005, Ministries/Departments can make purchases of goods up to Rs. 15,000 without inviting quotations or bids. Further, under Rule 146 of GFRs, 2005, a Local Purchase Committee constituted by the concerned Ministry/Department can make purchases of goods up to Rs. 1 lakh on the basis of a market survey to ascertain the reasonableness of rate, quality, etc., and the submission of a certificate to that effect. In partial modification of this Rule, Ministries/Departments are permitted to make purchases at their discretion of an item required for office consumption up to Rs. 1 lakh on each occasion directly from Kendriya Bhandar/NCCF without calling for quotations. The responsibility for ensuring the reasonableness of rates, quality, specifications, etc., will be equally that of the Purchasing Ministry/Department and KB/NCCF. Further, the reasonableness of rates, quality, specifications, etc., should be certified by the Local Purchase Committee as envisaged under Rule 146 of the GFRs 2005. It shall be ensured that supply orders are not split under any circumstances with the objective of circumventing the limit of Rs. 1 lakh.
- (b) For procurement of all items of office consumption beyond Rs. 1 lakh to Rs. 25 lakh, where limited tenders are to be invited as per Rule 151 of the GFRs 2005, KB and NCCF among others shall also be invited to participate in such limited tenders, in case these co-operatives are functioning at the station. Other things being equal, Purchase Preference will be granted to KB/NCCF, if the price quoted by the co-operatives is within 10% of the L1 price and if these co-operatives are willing to match the L1 price. No price preference over and above the L1 price shall be given to these co-operatives. However, KB/NCCF will be exempted from furnishing bid security (Earnest Money Deposit).
- (c) Supply orders up to Rs. 25 lakh, in respect of office equipments covered under the DGS & D rate contract may also be procured from KB and NCCF, provided KB/NCCF offer the items at DGS&D rate contracted prices as also fulfil all the contractual obligations which the manufacturers

suppliers' of such products are required to meet under the DGS & D rate contract. The Ministries / Departments shall make their own arrangements for inspection and testing of such goods where required.

(d) The above dispensation shall be applicable only up to 31-3-2010.

(e) Other Multi-State Co-operative Societies registered prior to the issue of this Office Memorandum in which the majority of the shares are held by the Central Government, are also permitted to avail of the facility of Purchase Preference in respect of limited tender enquiries up to Rs. 25 lakh.

4. It is requested that the instructions contained in this Office Memorandum may be noted carefully and complied with in respect of local purchase to be made by Government Departments, etc., hereafter. Ministries/Departments are also requested to instruct their attached and subordinate offices as well as other organizations financed and/or controlled by them to follow the same procedure for obtaining their requirements of stationery and other items from the Multi-State Co-operative Societies.

5. This issues with the concurrence of the Ministry of Finance, Department of Expenditure *vide* their O.M. No.1 (12)/E.II(A)/94, dated the 12th June, 2007.

