भारत सरकार Government Of India
रेल मंत्रालय Ministry Of Railways
(रेलवे बोर्ड) (Railway Board)

No. 2016/CE-I/CT/3/MSME New Delhi, dated August, 2016

As per list attached.

Sub : Public Procurement Policy for services rendered by Micro and Small Enterprises (MSEs) in Central Ministries/Departments/Public Sector Undertakings (PSUs).

Ref.: (i) Ministry of MSME's notification No. 503 dated 23.03.2012.
(ii) Railway Board's letter No.2010/RS (G)/363/1 dated 05.07.2012.

With reference to MSME's notification referred at (i) above, and a policy letter in this regard issued from Railway Board vide reference (ii), it has been decided by Board (ME & FC) to modify the relevant clauses of existing GCC - 2014, as indicated below:-

SN	Item no.	Existing Para of GCC 2014	To be added after * of the existing para mentioned in Column-3.
i.	Clause 3 of Part-I of GCC 2014 Tender Document Cost	Tender Forms shall embody the contents of the contract documents either directly or by reference and shall be as per specimen form, Annexure-I. Tender Forms shall be issued on payment of the prescribed fee to the appropriate contractors on the list of approved contractors. Contractors not on the list of approved contractors, will on payment of the prescribed fees, be furnished with tender forms and they shall be required to submit evidence regarding their financial status, previous experience and ability to execute the works. *	However, for service contracts, MSEs registered with District Industries Centres, Khadi and Village Industries Commission, Khadi and Village Industries Board, Coir Board, National Small Industries Corporation, Directorate of Handicraft and Handloom, Any other body specified by Ministry of MSME, shall be supplied such tender document free of cost on confirmation (Xerox Copy) of their evidence to this effect.

अखिल कुमार

<table>
<tr><th>SN</th><th>Item no.</th><th>Existing Para of GCC 2014</th><th>To be added after * of the existing para mentioned in Column-3.</th></tr>
<tr><td>ii.</td><td>Clause 5 : (1) (a) of Part-I of GCC 2014 - Earnest Money Deposit (EMD)</td><td>The tenderer shall be required to deposit earnest money with the tender for the due performance with the stipulation to keep the offer open till such date as specified in the tender, under the conditions of tender. The earnest money shall be as under :
<table>
<tr><th colspan="2">Value Of The Work</th><th>EMD</th></tr>
<tr><td>A</td><td>For works estimated to cost up to Rs. 1 crore -</td><td>2% of the estimated cost of the work.</td></tr>
<tr><td>B</td><td>For works estimated to cost more than Rs. 1 crore -</td><td>Rs. 2 lakh plus ½% (half percent) of the excess of the estimated cost of work beyond Rs.1 crore subject to a maximum of Rs. 1 crore.</td></tr>
</table>
The earnest money shall be rounded to the nearest Rs.10. This earnest money shall be applicable for all modes of tendering.*</td><td>However, for service contracts, MSEs registered with District Industries Centres, Khadi and Village Industries Commission, Khadi and Village Industries Board, Coir Board, National Small Industries Corporation, Directorate of Handicraft and Handloom, Any other body specified by Ministry of MSME, shall be exempted from payment of minimum EMD detailed above.</td></tr>
<tr><td>iii.</td><td>Annex-I (first Sheet)</td><td>New para no. 4 to be added to Annexure-I (First Sheet).</td><td>I/We am/are a Micro and Small Enterprise registered from .....(body approved by Ministry of MSME) with registration No. .....and terminal validity upto .....for similar service contracts.</td></tr>
</table>

SN	Item no.	Existing Para of GCC 2014	To be added after * of the existing para mentioned in Column-3.
iv.	Para no.6 to Annex-I (Second Sheet)	The tender must be accompanied by a sum of Rs. __as earnest money deposited in cash or in any of the forms as mentioned in 'Regulations For Tenders And Contracts' for the guidance of the Engineers and Contractors, failing which the tender will not be considered. *	However, registered MSEs in terms of Ministry of MSMEs notification No. 503 are exempted from Earnest Money Deposit.

2. It is also clarified that the provisions of this letter shall apply to **"Service Contracts"** governed by GCC – 2014 only.

3. It is further clarified that splitting of quantity in favour of MSE*s* as mentioned in Para 6 of Order dated 23rd March, 2012 of Ministry of Micro, Small and Medium Enterprises in terms of MSME Act 2006 (Copy enclosed), is not applicable to **"Service Contracts"** governed by GCC-2014.

4. This issues with the concurrence of Finance Directorate of the Ministry of Railways.

5. Please acknowledge receipt.

अनिल कुमार 29/08/16

(अनिल कुमार)

DA: As above.

निदेशक/सिविल इंजीनियरिंग(जी)/रेलवे बोर्ड
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No. 2016/CE-I/CT/3/MSME **New Delhi, dated August, 2016**

Copy forwarded for information to :

(i) FA&CAOs, All Indian Railways.

(ii) The Dy. Comptroller and Auditor General of India (Railways), Room no. 224, Rail Bhawan, New Delhi

For Financial Commissioner / Railways

MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

New Delhi, the 23rd March, 2012

ORDER

S.O. 581(E).—Whereas, the Central Government Ministries, Departments and Public Sector Undertakings shall procure minimum of 20 per cent of their annual value of goods or services from Micro and Small Enterprises;

And whereas, the Public Procurement Policy shall apply to Micro and Small Enterprises registered with District Industries Centers or Khadi and Village Industries Commission or Khadi and Village Industries Board or Coir Board or National Small Industries Corporation or Directorate of Handicrafts and Handloom or any other body specified by Ministry of Micro, Small and Medium Enterprises;

And whereas, the Public Procurement Policy rests upon core principles of competitiveness, adhering to sound procurement practices and execution of orders for supply of goods or services in accordance with a system which is fair, equitable, transparent, competitive and cost effective; and

And whereas, for facilitating promotion and development of micro and small enterprises, the Central Government or the State Government, as the case may be, by Order notify from time to time, preference policies in respect of procurement of goods and services, produced and provided by micro and small enterprises, by its Ministries or Departments, as the case may be, or its aided institutions and public sector enterprises.

Now, therefore, in exercise of the powers conferred in section 11 of the Micro, Small and Medium Enterprises Development (MSMED) Act 2006, the Central Government, by Order, notifies the Public Procurement Policy (hereinafter referred to as the Policy) in respect of procurement of goods and services, produced and provided by micro and small enterprises, by its Ministries, Departments and Public Sector Undertakings.

2. Short title and commencement. -

(1) This Order is titled as 'Public Procurement Policy for Micro and Small Enterprises (MSEs) Order, 2012'.

(2) It shall come into force with effect from 1st April 2012.

3. Mandatory procurement from Micro Small and Enterprises. –(1) Every Central Ministry or Department or Public Sector Undertaking shall set an annual goal of procurement from Micro and Small Enterprises from the financial year 2012-13 and onwards, with the objective of achieving an overall procurement of minimum of 20 per cent, of total annual purchases of products produced and services rendered by Micro and Small Enterprises in a period of three years.

(2) Annual goal of procurement also include sub-contracts to Micro and Small Enterprises by large enterprises and consortia of Micro and Small Enterprises formed by National Small Industries Corporation.

(3) After a period of three years i.e. from 1st April 2015, overall procurement goal of minimum of 20 per cent shall be made mandatory.

(4) The Central Ministries, Departments and Public Sector Undertakings which fail to meet the annual goal shall substantiate with reasons to the Review Committee headed by Secretary (Micro, Small and Medium Enterprises), constituted in Ministry of Micro, Small and Medium Enterprises, under this Policy.

4. Special provisions for Micro and Small Enterprises owned by Scheduled Castes or Scheduled Tribes. % Out of 20 per cent target of annual procurement from Micro and Small Enterprises, a sub-target of 20 per cent (i.e., 4 per cent out of 20 per cent) shall be earmarked for procurement from Micro and Small Enterprises owned by the Scheduled Caste or the Scheduled Tribe entrepreneurs. Provided that, in event of failure of such Micro and Small Enterprises to participate in tender process or meet tender requirements and L1 price, 4 per cent sub-target for procurement earmarked for Micro and Small Enterprises owned by Scheduled Caste or Scheduled Tribe entrepreneurs shall be met from other Micro and Small Enterprises.

5. Reporting of targets in Annual Report. % (1) The data on Government procurements from Micro and Small Enterprises is vital for strengthening the Policy and for this purpose, every Central Ministry or Department or Public Sector Undertaking shall report goals set with respect to procurement to be met from Micro and Small Enterprises and achievement made thereto in their respective Annual Reports.

(2) The annual reporting shall facilitate in better understanding of support being provided by different Ministries or Departments or Public Sector Undertakings to Micro and Small Enterprises.

6. Price quotation in tenders. % (1) In tender, participating Micro and Small Enterprises quoting price within price band of L1+15 per cent shall also be allowed to supply a portion of requirement by bringing down their price to L1 price in a situation where L1 price is from someone other than a Micro and Small Enterprise and such Micro and Small Enterprise shall be allowed to supply up to 20 per cent of total tendered value.

(2) In case of more than one such Micro and Small Enterprise, the supply shall be shared proportionately (to tendered quantity).

7. Developing Micro and Small Enterprise vendors. – The Central Ministries or Departments or Public Sector Undertakings shall take necessary steps to develop appropriate vendors by organizing Vendor Development Programmes or Buyer-Seller Meets and entering into Rate