

GOVERNMENT OF TELANGANA
ABSTRACT

IT,E&C Dept., - eProcurement – Comprehensive Guidelines for operating eProcurement (eCorpus) Fund and eProcurement Transactional Charges Fund, to be administered by TSTS Limited, Hyderabad – Orders – Issued.

INFORMATION TECHNOLOGY, ELECTRONICS & COMMUNICATIONS DEPARTMENT
(eProcurement)

G.O.MS.No. 7

Dated: 17-11-2016

Read the following:-

1. G.O.Ms.No.20, IT&C Dept., dt.06.07.2004.
2. G.O. Ms. No. 4, IT&C Dept., dt.17.02.2005.
3. G.O.Ms.No. 23, IT&C (eProc) Dept., dt. 03.08.2005.
4. G.O. Ms. No.10, IT,E&C (eProc) Dept., dt.23.07.2010.
5. G.O.Rt.No.61, IT,E&C (eProc) Dept., dt. 08.06.2016.
6. Minutes of the meeting of Committee of Officers held on 25.07.2016.

ORDER:

Government has taken up eProcurement as a major eGovernance initiative to maintain the transparency in procurement of works, goods and services etc. The platform facilitates transactions for tenders (goods and works), rate contracts, and auctions etc. The project is taken up under PPP model when launched in 2004. In the G.O. 1st read above, orders were issued mandating all the Departments/PSUs/ Local bodies to procure all works with an estimated cost value of Rs.10.00 lakhs and above, goods and services with an estimated cost value of Rs. 5.00 lakhs and above through eProcurement only.

2. To make the Project self sustainable, two types of following charges are being levied.

(a) eCorpus charges: As per G.O. 2nd read above, user departments have to collect 0.04% of ECV (estimated contract value) with a cap of Rs.10,000/- (Rupees ten thousand only) for all works with ECV upto Rs.50 crores, and Rs.25,000/- (Rupees twenty five thousand only) for works with ECV above Rs.50 crores, from the successful bidders only before entering into agreement / issue of purchase orders, towards eCorpus fund. Detailed guidelines were issued in the G.O. 3rd read above, on using eProcurement (eCorpus) Fund. Broadly 50% of the fund is used by the concerned department collecting the fund towards IT activities and 50% is used by IT,E&C Dept., for IT needs of eProcurement. Telangana State Technology Services Limited (TSTSL), Hyderabad is acting as Fund Manager to the eProcurement (eCorpus) Fund.

(b) eProcurement Transactional charges: As per G.O. 4th read above, the participating bidders will pay a transaction fee @ 0.03% of ECV (estimated contract value) with a cap of Rs.10,000/- (Rupees ten thousand only) for all works with ECV up to Rs.50 crores, and Rs.25,000/- (Rupees twenty five thousand only) for works with ECV above Rs.50 crores, at the time of bid submission electronically. At the end of every month, out of total transactional amount collected for that month, 17.5% amount will be paid to O&M Service provider for eProcurement platform towards Operational & Maintenance Charges and remaining 82.5% represents the share of IT,E&C Department. TSTS Limited, Hyderabad is acting as Fund Manager to the eProcurement Transactional charges Fund. No guidelines were issued on using this fund and hence the accrued amount is lying unutilized with TSTS Limited, Hyderabad since inception of the Project.

3. Since the guidelines were issued during the year of 2005 for only on usage of eProcurement (eCorpus) Fund, it has been decided to review the same according to present requirements and also to formulate the guidelines for the usage of eProcurement Transactional Charges Fund accrued from the platform and available with TSTS Limited, Hyderabad. Accordingly, a Committee has been constituted in the G.O. 5th read above, to formulate the Guidelines for eProcurement Transactional Charges Fund as well as to examine the guidelines issued in the G.O. 3rd read above regarding eProcurement (eCorpus) Fund.

P.T.O.,

4. The Committee was met on 25.07.2016 and formulated the guidelines for operating the eProcurement (eCorpus) Fund and eProcurement Transactional Charges Fund, vide minutes of the Meeting 6th read above.

5. Government, after careful examination, hereby issue the following guidelines for utilisation of eProcurement (eCorpus) Fund and eProcurement Transactional Charges Fund, in supersession of the orders issued in the G.O. 3rd read above.

a). eProcurement (eCorpus) Fund and eProcurement Transactional Charges Fund:

The accruals to eProcurement (eCorpus) charges and eProcurement Transactional charges collected from the bidders (both by participant and successful bidder) is proposed to be appropriated on the Department / Agency specific requirements to sustain eProcurement initiative at the local level and to supplement the initiatives taken up by IT,E&C Department to sustain eProcurement at the State level, the following is the New method of distribution of eProcurement (eCorpus) charges and eProcurement Transactional charges (both for the amounts collected so far and for future collections). TSTS which is currently the fund manager for both the funds should continue to handle both funds.

- i. 5% of eProcurement (eCorpus) charges as well as eProcurement Transactional charges shall be paid to TSTS as service charges.
- ii. 47.50% eProcurement (eCorpus) charges as well as eProcurement Transactional charges shall be the share of the respective department which floated the tender. This amount will be retained by TSTS to be used by the department as per guidelines issued in this G.O.
- iii. 47.50% eProcurement (eCorpus) charges as well as eProcurement Transactional charges shall be the share of the IT,E&C department. The amount will be retained by TSTS to be used as per guidelines issued in this G.O.

b). Items of expenditures eligible under 47.50% share of eProcurement (eCorpus) charges and eProcurement Transactional charges towards specific requirement of user Department/Agency:

- a) Installation and subscription charges for Broadband/Internet connections to the offices.
- b) The cost of digital certificates issued by TSTS-Sub CA to Government users.
- c) Purchase, upgrading and maintenance of PC's, Scanners, Printers and UPS in the user departments. The purchases to be made through TSTS Limited only.
- d) Purchase, upgrading costs for Operating System, Office application software required. Transactions must be through TSTS Limited.
- e) Purchase, Development and upgrading costs for software required for automation of pre and post procurement processes. The transactions must be through TSTS Limited.
- f) Cost of integration of backend (legacy) system of departments/agencies with eProcurement application.
- g) Consultancy expenses related to eProcurement Project.
- h) Towards Study/Review/Analysis/Research/Recommendations/Software Development/ DPR etc., of any e-Governance initiatives of the concerned department.
- i) Research and development expenses (proof of concepts) for harnessing the latest technological developments to eProcurement Project or any such e-Governance initiatives.
- j) Development costs of Application Software, purchase of software licenses and IT Infrastructure, Hosting facilities, Operation & Maintenance required for new e-Government initiatives.
- k) Towards IT consumables such as Toners, Drums, Ink Cartridges, Tape Cartridges, CD/DVDs, Pen Drives, IT stationery etc. Departments can procure these items on their own as per the rules. The Bills will be submitted to TSTS for payment/reimbursement subject to availability of their share amount.

- l) Training of departmental officials on eProcurement Project or any other e-Governance initiatives.
- m) Any other item with specific approval of the Secretary of the Department concerned.

Note: The contributing Department/Agency has to furnish their indent to TSTS Limited for purchase and upgrading of hardware & software listed at (c), (d) and (e) above.

c). Items of expenditures eligible under 47.50% share of eProcurement (eCorpus) charges and eProcurement Transactional charges to supplement the initiatives taken up by IT,E&C department.

- a) Towards Hardware, Software, AMC, license and Manpower cost of the eProcurement application.
- b) Towards Development costs of Application Software, purchase of software licenses and IT Infrastructure, Hosting facilities, Operation & Maintenance required for adding new departments / requirements.
- c) Consultancy expenses related to eProcurement Project or Study/ Review/ Analysis/ Research /Recommendations/SW Development / DPR etc. any e-Governance initiatives.
- d) Research and development expenses (proof of concepts) for harnessing the latest technological developments to eProcurement Project or any such e-Governance initiatives.
- e) Training expenses on eProcurement Project or any such eGovernance initiatives.
- f) Preparation DPRs, Annual Maintenance expenses on any eGovernance initiatives.

d). Any other item approved by the Committee on eProcurement Fund.

e). Fund management guidelines:-

- i. TSTS Limited has to open separate accounts for eProcurement (eCorpus) charges and eProcurement Transactional charges in a branch of State Bank of Hyderabad in Hyderabad city.
- ii. All contributions received from the contractors/suppliers and user departments through the eProcurement entities have to be remitted into this account on a weekly basis.
- iii. TSTS Limited has to maintain separate cash books/accounts for eProcurement (eCorpus) charges and eProcurement Transactional charges wherein Department wise account is to be maintained separately for all remittances and expenditures.
- iv. TSTS Limited to furnish Monthly account sheet with details of contributions, expenditures, balances to all contributing Departments/ Agencies to plan their expenditures.
- v. TSTS Limited to furnish audited accounts for eProcurement (eCorpus) Fund and eProcurement Transactional charges Fund, for every financial year to the IT,E&C department.

f). Payment guidelines:

- i. For 47.50% share of eProcurement (eCorpus) Fund and eProcurement Transactional Charges Fund, towards Departments/Agencies specific requirements.

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- a. In case of Govt. Departments having more than one HOD, the Secretariat Department would nominate a HOD of the user department to incur expenditures on the items included under 47.50% share of eProcurement (eCorpus) Fund and eProcurement Transactional Charges Fund, for department specific expenditures to sustain IT initiatives within their departments.
 - b. The HODs of contribution Govt. Departments, Chief Executive officer of PSUs, Commissioners of Local bodies will send the authenticated and certified bills to TSTS Limited towards expenditure incurred on the items identified in para 5(b) above duly limiting the cumulative total of bills forwarded to TSTS Limited to their share amount. The HOD has to furnish a specific certificate that the Budget allocations to the department during the financial year are insufficient to meet these expenditures and the bills are not claimed by the department under any other scheme/source.
 - c. Upon receipt of the bills/invoices from HOD of contributing Departments/ Agencies, TSTS Limited has to verify whether the bill claimed is within the guidelines of para 5(b) and arrange payment of bill amount to the vendors / suppliers directly under intimation to the Departments/Agencies concerned, subject to the availability of funds under their 47.50% share.
 - d. TSTS Limited will process the indents for purchase of software, hardware received from the Departments/Agencies based on their eligibility in eProcurement (eCorpus) Fund and eProcurement Transactional Charges Fund. TSTS Limited will procure and supply the hardware, software to the Departments/Agencies duly following their regular procurement rules and arrange payments to suppliers from the eProcurement (eCorpus) Fund and eProcurement Transactional Charges Fund.
- ii. The Secretary to Government, IT,E&C department would authorize TSTS Limited for the payments to be made under 47.50% share of eProcurement (eCorpus) Fund and eProcurement Transactional Charges Fund to be set apart for taking up long term initiatives by IT,E&C Department.
6. This G.O. is applicable to all the Departments, Public Sector Units, Local Bodies and Organisations using eProcurement platform.
 7. This order issues with the concurrence of Finance Dept., vide No.1796/PFS/2016, dt. 26.09.2016.
 8. A copy of this order is available on Internet and can be accessed at address "goir.telangana.gov.in".

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF TELANGANA)

**RAJEEV SHARMA
CHIEF SECRETARY TO GOVERNMENT**

To
All the Depts., of Secretariat.
All the Heads of Departments.
All the Public Sector Units/Boards/Local Bodies.
The Managing Director, TSTSL, Hyderabad.

Copy to:
PS to Hon'ble Minister for Information Technology.
PS to C.S to Govt., Govt. of Telangana.
PS to PFS to Govt., Fin. Dept., Govt. of Telangana.
PS to Secretary to Govt., IT,E&C Dept.
The Joint Secretary to Govt., (eGov), IT,E&C Dept.
SF/SCs

//FORWARDED BY ORDER//

SECTION OFFICER