

GOVERNMENT OF TELANGANA
ABSTRACT

ITE&C Department - Relaxation of Norms for Startups in Public Procurement of Technology-Based Solutions through TSTS – Orders – Issued.

INFORMATION TECHNOLOGY, ELECTRONICS & COMMUNICATIONS (Promotions)
DEPARTMENT

GO.Ms.No.08

Dated:28.04.2018

Read:

G.O.Ms.No.10, ITE&C (Promotions) Dept., Dated 25.07.2017.

ORDER:

The Government of Telangana has announced its Innovation Policy 2016 on April 4th, 2016 for creating a conducive atmosphere for the growth of Startups in India. In the policy, the Government has promised to give priority to Startups in public procurement processes. To bring uniformity in the identity of enterprises, an entity shall be called a startup if it adheres to the criteria, as put forward by Government of India:

- If it is incorporated as a private limited company (as defined in the Companies Act, 2013) or registered as a partnership firm (registered under section 59 of the Partnership Act, 1932) or a limited liability partnership (under the Limited Liability Partnership Act, 2008) in India; and
- Up to seven years from the date of its incorporation/ registration; however, in the case of Startups in the biotechnology sector, the period shall be up to ten years from the date of its incorporation/registration; and
- If its turnover for any of the financial years since incorporation/ registration has not exceeded Rupees 25 crores; and
- If it is working towards innovation, development or improvement of products or processes or services, or if it is a scalable business model with a high potential of employment generation or wealth creation.

2 Provided that any such entity formed by splitting up or reconstruction of a business already in existence shall not be considered a ‘Startup’. The explanation of the above conditions is given in below URL:

https://www.startupindia.gov.in/uploads/notifications/notification_Revised_notification_Startups_Notification_23_05_17.pdf

3. In addition to adhering to the above-mentioned definition of a ‘Startup’, the enterprise must satisfy the below mentioned conditions for the following relaxation of procurement norms to be applicable:

- a. Have manpower strength of minimum of 10+ technical staff
- b. Have a firm address and contact details including URL

4 In order to be deemed eligible, the Startup must submit a covering letter requesting for this relaxation in the format attached in Annexure 1. The Startup shall then be issued a certificate as prescribed in Annexure 2 which may then used for availing the benefits outlined in this Order..

5 Eligible Startups can avail the following benefits while participating in Government procurement processes of technology-based solutions through TSTS:

- i. Prior turnover – Startups shall not be subjected to any prior turnover criterion for being eligible to participate in a government procurement process
- ii. Prior experience – Startups shall not be required to have any prior experience of having participated in a public procurement process
- iii. Exemption from Submission of EMD – Startups shall not be required to submit an Earnest Money Deposit to participate in public procurement process

- iv. Financial advantage – Startups shall be given a 15% relaxation on their submitted financial quotations pertaining to procurement, subject to meeting of quality and technical specifications (process for the same is elaborated below)

Explanation:

- a) If a startup quotes Rs X to be paid to them for goods/services in response to an RFP, then the following calculation is made:

$$Y=X*85/100$$

Rs Y is then used for all subsequent calculations as the financial bid of the startup for evaluation irrespective of the kind of evaluation i.e. QCBS, LCS etc.

- b) If a startup offers to pay Rs X for owning/operating goods/services in response to an RFP, then the following calculation is made:

$$Y=X*115/100$$

Rs Y is then used for all subsequent calculations as the financial bid of the startup for evaluation irrespective of the kind of evaluation i.e. QCBS, LCS etc.

6. The method detailed below shall be used to procure technology-based solutions from eligible Startups with innovative technology solutions irrespective of a floated procurement notice/tender.

7 Interested Startups can submit an Expression of Interest (EoI) and detailed proposal by mailing the same to startup_cell@telangana.gov.in, irrespective of a floated procurement notice/tender. **Quality Evaluation Committee (QEC)**, a committee comprising of product specialists and technologists, shall then be constituted by the ITE&C department in consultation with relevant line departments for evaluating the quality and technical specifications of the product/service proposed.

8. If the solution is innovative and unique (as decided by QEC):

The QEC shall evaluate the solution within 30 days from receipt of EoI and submit its report to the relevant authority along with recommendation, failing which the solution will be deemed to be certified automatically.

Upon being certified by the QEC of the quality, Startups with unique products shall be asked to deploy a pilot as a Proof of Concept (PoC) for a stipulated time period in a designated location. During the course of the pilot, QEC shall conduct an impact study and submit its recommendations within 30 days of completion of the pilot to the line department, Secretary, ITE&C and MD, TSTS, failing which the pilot will be deemed to be approved for scale up automatically. Standard rate contracts such as NIXI, COTS, etc. shall be applied if possible.

9. If the solution is innovative but not unique (as decided by QEC):

Startups which have developed innovative, but not unique (ex. smart parking), products with potential Govt. utilization shall go through the Swiss Challenge method as described below.

The QEC shall evaluate the solution within 30 days from receipt of EoI and submit its report to the relevant authority along with recommendation, failing which the solution will be deemed to be certified automatically. Upon clearing the quality and technical evaluation by the QEC, the proposal shall be made public inviting suggestions and counter proposals. In case the original proposer is unable to match the more attractive and competing counter proposal, the project shall be awarded to the counter proposal. Financial advantage to Startups, as detailed earlier, shall be applicable in the Swiss Challenge method of procurement, as well.

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

JAYESH RANJAN
PRINCIPAL SECRETARY TO GOVERNMENT

To
All the Departments of Secretariat

The Metropolitan Commissioner, HMDA, Hyderabad
The Commissioner, Greater Hyderabad Municipal Corporation, Hyderabad
The Commissioner and I.G., Stamps and Registration, Hyderabad
The Vice Chairman and Managing Director, TSIIC, Hyderabad
The Commissioner of Industries, Hyderabad
The Commissioner, Information and Public Relations, Hyderabad
The Member Secretary, TS Pollution Control Board, Hyderabad
The Chairman & MD, TSTRANSCO, Hyderabad
The Chairman & MD, TSSPDCL/TSNPDCL/ TNREDCL
The Commissioner of Labour, Hyderabad
The Development Commissioner, VSEZ, Hyderabad
The Director, STPI, Hyderabad
The President, HYSEA, Hyderabad
The Regional Director, NASSCOM, Hyderabad
The CEO, T-Hub, Hyderabad
The President, FTAPCCI, Hyderabad
All the District Collectors

Copy to:

The Secretary to GoI, DIPP, Ministry of Commerce & Industry, GoI, New Delhi
The Hon'ble Chief Minister's Office/PRO to C.M.
The PS to Hon'ble Minister for IT, MA&UD, Industries, Hyderabad
The PS to Hon'ble Minister for Finance, Hyderabad
The PS to Hon'ble Minister for Revenue, Hyderabad
The PS to Hon'ble Minister for Energy, Hyderabad
The PS to Hon'ble Minister for Labour, Hyderabad
The PS to Chief Secretary
SF/SC

// FORWARDED : : BY ORDER //

SECTION OFFICER

Annexure-I

(to GO Ms.No:08, ITE&C Department, dated:28.04.2018)

Letter Format to be Deemed Eligible for Relaxed Procurement Norms

To
The Principal Secretary to Government
Information Technology, Electronics & Communications Department
Government of Telangana
D Block, 2nd Floor,
Telangana Secretariat
Hyderabad-500022

Sir,

Sub: Request to extend relaxed procurement norms to our Startup M/s _____

I, <<Name and Designation>>, request you to extend relaxed procurement norms as outlined in GO.Ms.No. __, ITE&C Dept., dt: 04.2018, to our startup M/s _____. I certify that we meet all the necessary eligibility criteria as mentioned in the GO and am attaching proofs for the same as requested. The information provided in this letter and attachments is true to the best of my knowledge and I understand that the Government may revoke this relaxation in case of any discrepancy.

Looking forward to a positive response.

Yours Sincerely,

<<Name>>

Ph: _____

Email: _____

Attached:

1. Business Plan of the startup
2. Self-attested copy of PAN Card
3. GST Registration Number of the Corporate entity along with self-attested copies
4. ROC Copy/Partnership Deed/Trade License Copy
5. Audited Financial Statements for a minimum of 3 years or since incorporation of company
6. Memorandum of Association and Articles of Association documents, if available
7. Certificate from Provident Fund/Bank/Profession Tax/Income Tax/any other competent authority office confirming the no. of the employees.
8. Copies of educational certificates of the technical staff

Annexure-II

(GO Ms.No:08, ITE&C Department, dated:28.04.2018)

Sample Certificate of Approval

This is to certify that the Startup M/s _____ has been deemed eligible for relaxed procurement norms through any procurement through TSTS as per GO.Ms.No. __, ITE&C Dept, dt: __.04.2018. The prior turnover, prior experience, and submission of EMD clauses may be waived for this Startup and a 15% relaxation may be allowed on their financial bid as detailed in the said GO.

In addition, any technological solution proposed by the Startup may be considered by the Quality Evaluation Committee for procurement irrespective of a floated procurement notice/tender.

Signature and Seal
Prl Secretary, ITE&C Department