

## TELANGANA STATE INNOVATION CELL



PUBLIC PROCUREMENT SUPPORT

## PUBLIC PROCUREMENT SUPPORT

Government plays a critical role to enable market access for Startups through public procurement, thereby strengthening the Startup ecosystem in the State. 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 Telangana and promised to give priority to Startups in public procurement processes.

In support of this, the Government laid out:

1. Relaxation norms for Startups in Public Procurement through GO.Ms.No.08 dated April 28th, 2018
2. Preferential Financial Advantage to Startups through GO.Ms.No.08 dated April 28th, 2018
3. Bilateral Procurement from Startups irrespective of a floated procurement notice/tender through GO.Ms.No.08 dated April 28th, 2018

### **1. Relaxation norms for Startups in Public Procurement**

The Government of Telangana through GO.Ms.No.08 dated 28/04/2018 had brought in the undermentioned relaxations to Startups in Public Procurement: -

- 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

In order to be deemed eligible, the Startup must submit a covering letter requesting for this relaxation in the format attached in Annexure-I to the Principal Secretary, ITE&C Department. The Startup shall then be issued a certificate as prescribed in Annexure-II which may then be used for availing the benefits outlined earlier.

**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 \_\_\_\_\_

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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

## **2. Preferential Financial Advantage to Startups**

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.

## **3. Bilateral Procurement from Startups irrespective of a floated procurement notice/tender**

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. 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.

### **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.

### **If the solution is innovative but not unique (as decided by QEC):**

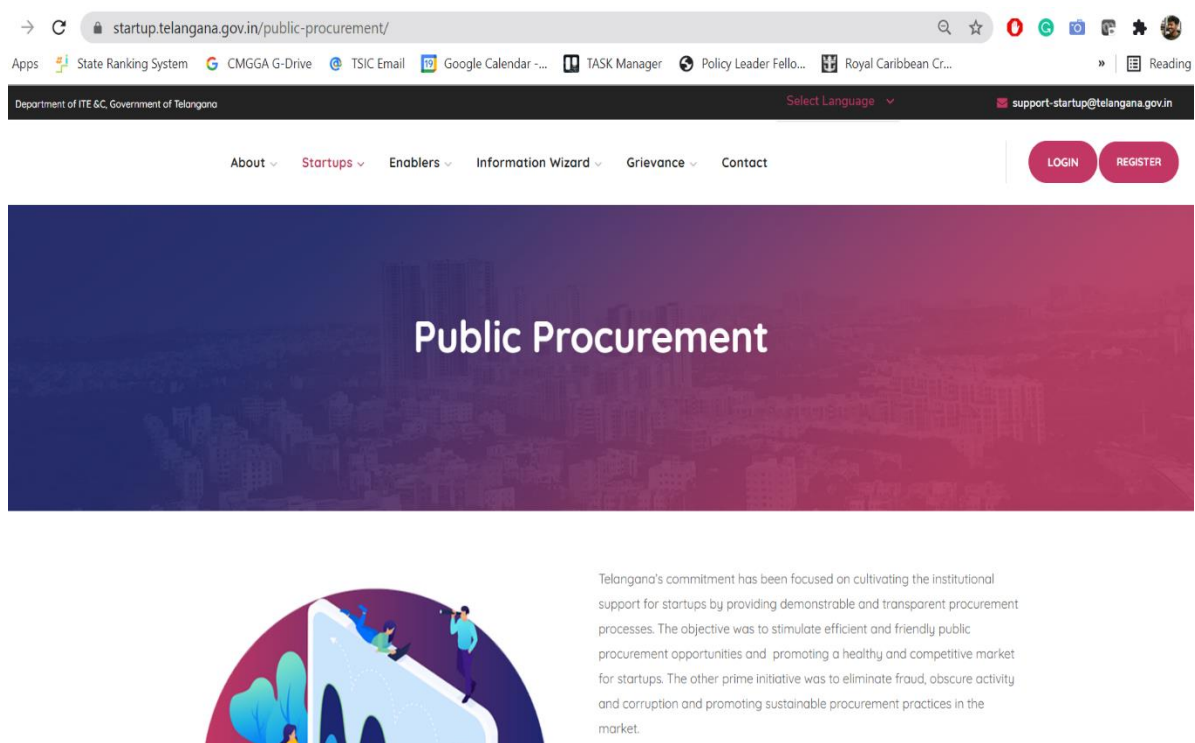
Startups which have developed innovative, but not unique (ex. smart parking), products with potential Govt. utilization shall go through the Swiss Challenge method as described below.

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.

### **Steps to Avail the above information on the State Startup Portal:**

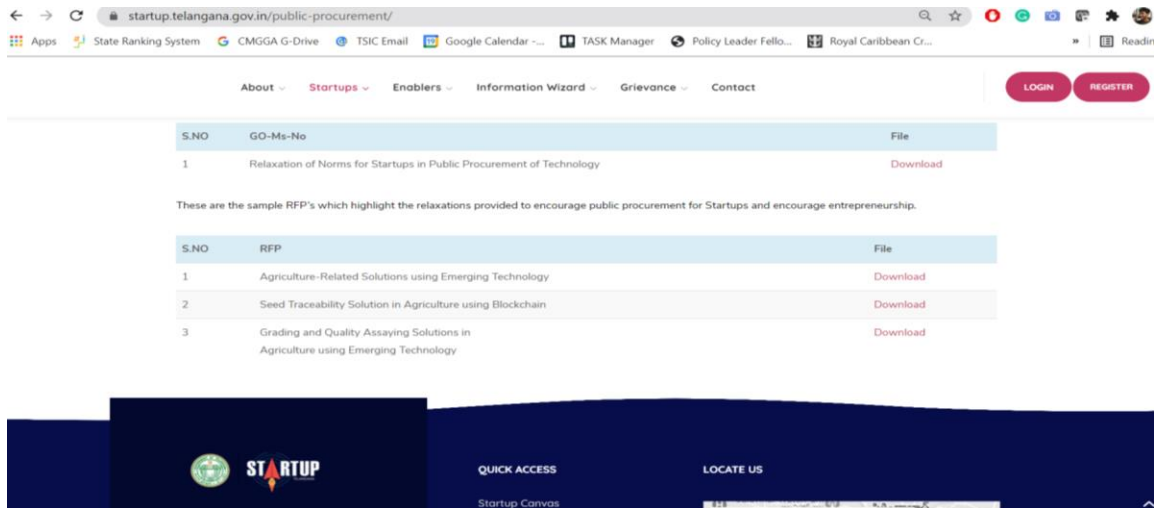
- ❖ Step 1 – Visit the link: <https://startup.telangana.gov.in/public-procurement/>



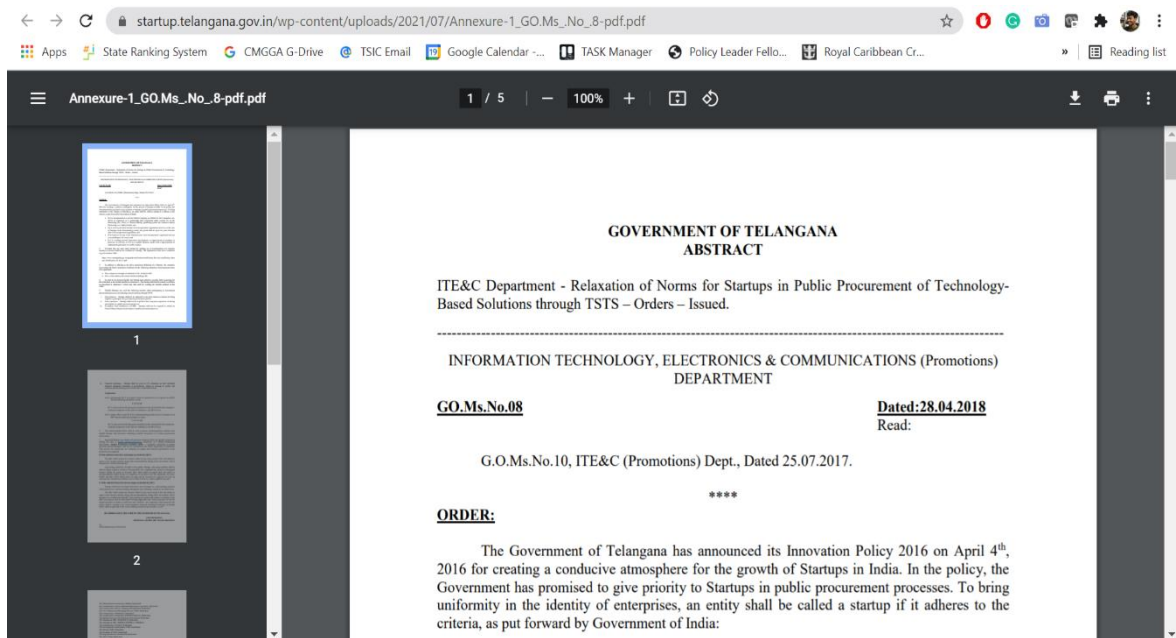
*Screenshot of the Public Procurement Page of the State Startup Portal*

- ❖ Step 2 – The GO detailing the relaxations, preferences given to startups for public procurement is accessible publicly:

Link to the GO: [https://startup.telangana.gov.in/wp-content/uploads/2021/07/Annexure-1\\_GO.Ms\\_.No\\_.8-pdf.pdf](https://startup.telangana.gov.in/wp-content/uploads/2021/07/Annexure-1_GO.Ms_.No_.8-pdf.pdf)



*Screenshot of Public Procurement page of the State Startup Portal showing the GO*



*Screenshot of the GO as available on the State Startup Portal*

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