PROCUREMENT

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Efficient • Transparent • Inclusive

Government e Marketplace: A Game Changer

Government e Marketplace: A Game Changer

- Public procurement involves the purchase of goods and services by governments with an aim to not only carry out day-to-day tasks but also create social and economic infrastructure. The sector bears the responsibility of utilizing taxpayers' money efficiently. If used well, public procurement could have a multiplier effect at national, local and hyper-local levels. In India, public procurement accounts for roughly 20-22% of the GDP. Therefore, efficient public procurement is an important aspect of achieving accelerated growth and development in the country.
- 2. Previously, public procurement in India had been characterized by inefficient, opaque, and time-consuming manual processes conducted offline, complicated by a fragmented and complex policy landscape. Buyer organizations were limited by the lack of competitive prices, unreliable quality of products/services and the burden of manual process flows. Suppliers/service providers faced issues like cumbersome vendor registration processes, non-transparent verification, and procurement processes, in addition to long and protracted payment cycles. The Government of India set up the Government e Marketplace (GeM) in 2016 as an e-marketplace to revolutionize public procurement in India.



same time, this has reduced the scope for corruption. Similarly, technology has helped with online tendering. This has accelerated projects and boosted transparency."

- Narendra Modi, Prime Minister

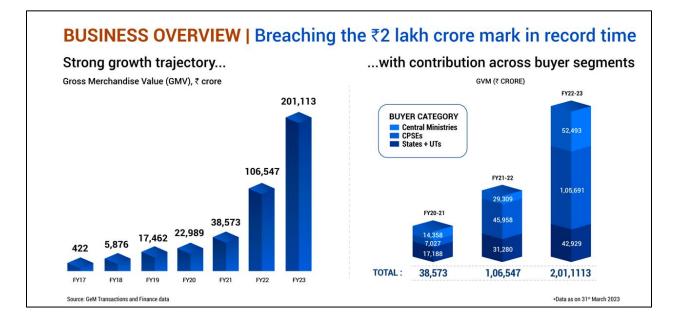
"Digital technology is also introducing transparency and eliminating corruption through innovation such as the Government e Marketplace or GeM. It is an integrated platform for purchases by government agencies. It provides everything - search and comparison, tender, online ordering, contract generation, and payment."

Narendra Modi, Prime Minister

3. In the last 6.5 years, GeM has transformed the public procurement space in India through its technology and strategic interventions. It has made significant strides towards the pursuit of its three fundamental pillars, i.e., inclusion, transparency and efficiency in public procurement, since its launch. GeM is an example of how digital platforms created with the intent to reimagine legacy processes can bring about lasting change for the nation as well as the underserved. In order to realize the immense advantages of demand aggregation and ease of procurement through an open and transparent procurement platform, all Central Ministries, Central Public Sector Enterprises, State Government and Union Territories are procuring goods and services through GeM. Triggering the largest transformation exercise in India — through technology, digitization of processes, digital integration of all stakeholders and use of analytics, GeM has revolutionized the ecosystem of public procurement in the country for buyers and sellers alike. GeM has been effectively contributing to the government's commitment of "Minimum Government, Maximum Governance".



- 4. In FY 2022–23 alone, GeM achieved a Gross Merchandise Value (GMV) of more than INR 2 lakh crore. The portal has more than 11,500 product categories with over 3 million listed products. We also have over 275 service categories offering more than 2.8 lakh services. The portal is also home to more than 67,500 buyer organizations and over 6 million sellers and service providers. The total number of orders is close 1.5 crore, with a cumulative GMV of more than 4 lakh crore since inception.
- 5. GeM's transparent practises, such as competitive bidding, have helped government departments and public sector undertakings save about INR 40,000 crore of taxpayers' money. Such initiatives have helped the government substantially raise welfare expenditures without compromising fiscal health.



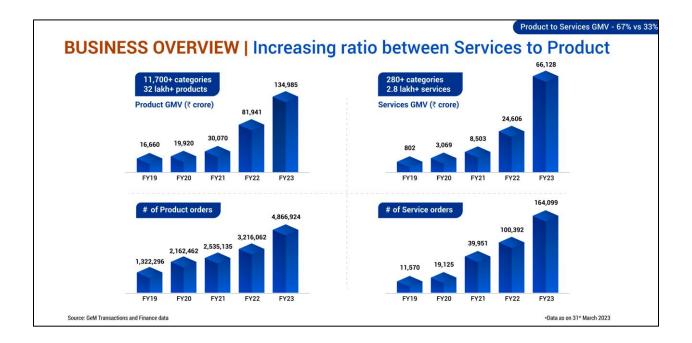
Growth Journey of GeM

 The GeM platform enables multiple procurement modes (direct purchase, L1 Procurement, Bidding, Reverse Auction, Forward Auction, Single packet bidding, Push Button Procurement, etc). GeM has evolved as a trust-based platform and is contactless, paperless and cashless, where authentication of users is done through API integration with respective domain databases, i.e., Aadhaar, PAN, Start Up, GSTN, MCA21, etc. The marketplace includes policies for automated market adjustments as well as end-to-end digital processes that support a thriving buyer-seller ecosystem. GeM has ushered in automation and digitization of processes enabled by technology and analytics, leading to higher process efficiencies, better information sharing, improved transparency, reduced process cycle time and a higher level of trust among bidders, which in turn have resulted in greater competition and higher savings. These innovations in GeM have also brought down waiting times and prices for buyers significantly and have ensured timely payments to sellers.

- 2. Given the sheer scale and complexities involved in realigning the procurement processes of the entire spectrum of Central and State Government departments, this has likely been one of the largest change management exercises undertaken by any agency globally. Another key aspect of this has been the comprehensive onboarding of all buyers and sellers on to the GeM platform. The platform's focus on inclusiveness meant that it was especially critical to accommodate marginalized communities or groups who have limited digital access and capacities. This has required a thoughtful outreach and training strategy while developing both business processes and software functionalities that make it user-friendly.
- 3. Buyer organizations benefit from a diverse and rich range of products and services at competitive prices with assured quality, along with a range of statistical tools to assess price reasonability. All relevant information that is required for decision making by buyers and for participation by sellers is coherently digitized, easily accessible and seamlessly consumable in the most secure forms for e-procurement. The strategic use of innovative functionalities and processes has brought down waiting times and prices for buyers significantly and has ensured timely payments to sellers, greater competition and higher savings. Consider a new functionality implemented by GeM that promotes greater discipline and timeliness in payment to vendors through the automatic generation of receipts and the levying of penal interest on delayed payments. This gives digital form to a policy imperative and is a radical deviation from business as usual and underlines the platform's commitment to overhauling the government procurement ecosystem.



4. GeM's focus on inclusiveness is multifaceted, involving not only making the platform usable and trusted by every type of seller but catering particularly to the unique contexts and limitations of marginalized seller segments like small and medium enterprises, women entrepreneurs, startups, and artisans. GeM has achieved this through a thoughtful strategy focused on many aspects, in alignment with the government's Make in India initiative and policy to promote local MSMEs. We are providing these MSMEs with easy market access, which is especially important given that the majority of Indian MSMEs lack a digital footprint and only a small percentage of MSMEs sell or promote their business online. This is why GeM is spearheading the onboarding of MSMEs registered with the Ministry of MSMEs as sellers on GeM. The GeM platform has also seamlessly given effect to the Make in India [PPP-MII] and the Public Procurement Policy/Preference for MSE [PPP-MSE] of the government. Further, a range of features and functionalities have been added to the platform to ensure that MSMEs are able to participate in public procurement and do business with the government—for example, enabling filters for buyers to reserve procurement from MSEs. An advanced bid search module has been introduced to enable sellers to look for additional opportunities, diversify their businesses and grow with GeM, which in turn will result in wider seller participation and better price discovery for buyers due to the increased participation of sellers.



Promoting Innovation and Social Inclusion

1. Social inclusion is a core value at Government e Marketplace [GeM] and is focused on increasing the participation from under-served sellers such as MSEs, women and tribal entrepreneurs, Divyangjan [persons with disabilities], Startups, self-help groups, artisan and weavers, and Hunar Haat Craftsmen who face challenges in accessing public procurement markets.

a. Vocal for Local - Creation of 210 ODOP product categories for listing unique products from each district in the country.

b. GeM is collaborating with Self-employed Women's Association [SEWA] to train, assist and enable 21 lakh+ women-led micro and small enterprises, women entrepreneurs and selfhelp groups [SHGs]. They are made familiar with processes related to seller registration and onboarding on the platform, product and service catalogue upload/ updates, acceptance of orders, participation in bids floated by Govt buyers, fulfilment of orders and invoice generation to receive payments directly into their bank accounts. c. GeM is working with 5.2 lakh+ CSC e-Governance Services India Ltd. [CSC- SPV], and 1.5 lakh+ India Post offices, for the advocacy, outreach, mobilization and capacity-building of lastmile Govt buyers, sellers and service providers in public procurement.

d. 40 lakh+ MSEs have seamlessly registered on GeM through this API-integration and are now in various stages of their seller journey in public procurement.



More than 40 lakh sellers have joined the GeM portal, he said

e. 8.5 lakh+ MSEs are registered on the GeM portal and have received orders worth more than 2 lakh crore, contributing to more than 50% of GeM's cumulative GMV since inception.

f. Further, 1.38 lakh+ women MSEs are registered on GeM, and they have fulfilled 6.29 lakh+ orders worth INR 12,692 crore

g. 41,238 SC/ST entrepreneurs have fulfilled approx. 1.14 lakh+ orders worth INR 2,039 crores.

h. The platform offers Startups all the marketplace functionalities that are available to regular sellers and the objective is to spur "Make in India" procurement from India Startups. More than 13,000 Startups have registered on GeM and have processed orders worth more than 14,000 crore in Gross Merchandise Value.

PM Modi: GeM has helped SMEs find big customers, reduced scope for corruption, boosted transparency

Ease of doing business for MSMEs: Launched in August 2016, GeM has processed 12.15 million orders so far worth Rs 3.29 lakh crore from 63,887 buyers on the platform.

Written by Sandeep Soni

November 16, 2022 13:51 IST



2. GeM has revamped the bidding process to make it more transparent and to curb unfair or unjust rejections during technical evaluation. GeM now enables buyers to seek clarifications from sellers, allowing bidders to raise queries and challenge rejections within a specified time window. Another functionality that our users are finding useful is the item-wise, consignee-wise bidding functionality- which allows for the sellers' offer rates to be captured along multiple dimensions. For example, a buyer may like to know what a seller's offer would be for a specific consignee location for an item instead of for all locations. It helps the buyer in procuring flexibly as per his requirements because some sellers may be more competitive in some consignee locations. A range of carefully considered and strategic measures were implemented to promote marketplace sanity on GeM platform with respect to price, catalogue, specifications which is a basic requirement of any e-commerce portal.

3. A range of features enable openness and transparency. All relevant information that is required for decision making by buyers and for participation by sellers is coherently digitized, easily accessible and seamlessly consumable in the most secure forms for e-procurement. GeM's focus on inclusiveness is multifaceted, involving not only making the platform usable and trusted by every type of seller but also conducting active outreach to onboard marginalized and underserved seller segments including small and medium enterprises, women entrepreneurs, startups, and artisans, which is going to define India's growth story. Through continuous engagement with its diverse and numerous stakeholders, the platform has been led by an approach focused on easing the journey of both buyers and suppliers on the platform.

4. Furthermore, one of the key advantages of moving to a digital platform has been the robust audit trails and the wealth of data—both operational and transactional—that is created

on the platform. The approach is to leverage this data and emerging technologies like AI and ML to empower the platform's stakeholders to make data-driven and informed decisions and optimize their procurement transactions.

5. Advanced technologies such as AI are proving to be ground-breaking in terms of their impact on key business outcomes including top-line impact, customer satisfaction, and bottom-line impact. Keeping with this trend, GeM is envisioning the use of AI across a wide range of business processes and functionalities. Some of the key areas where GeM plans to leverage AI are, but are not limited to: (1) Fraud, anomaly detection and market sanity; (2) Procurement planning, forecasting and monitoring; (3) Intelligent virtual assistant to aid buyer/seller journeys; (4) Catalogue management including automatic tagging and text description; (5) Customer service automation including helpdesk/call-center.

6. As we look ahead at the future of public procurement in India, a key focus for GeM is going to be the enhancement of the quality of the platform and the transactions therein, in parallel with building and sustaining the trust of buyers and sellers. Our plan to drive this involves four separate enablers: one, setting specific and objective metrics for quality aspects for both buyers and sellers and publishing periodic results for the same; two, developing an internal control framework to address procurement-related deviant behavior; three, improving the portal's efficacy; and finally, creating a more streamlined education and sensitization program on GeM and quality public procurement practices in general. As a digital platform, we will continue to enhance our use of data and related technologies like AI/ML, blockchain, etc., along with focused teams driving initiatives and programs around risk and fraud control. We are confident that our technology-led approach, underlined by our commitment to the principles of transparency, efficiency and inclusiveness, will slowly and surely usher in the highest standards of quality in public procurement in India while also providing the buyers and sellers a fair, competitive and feature-rich platform for engaging in procurement activities.

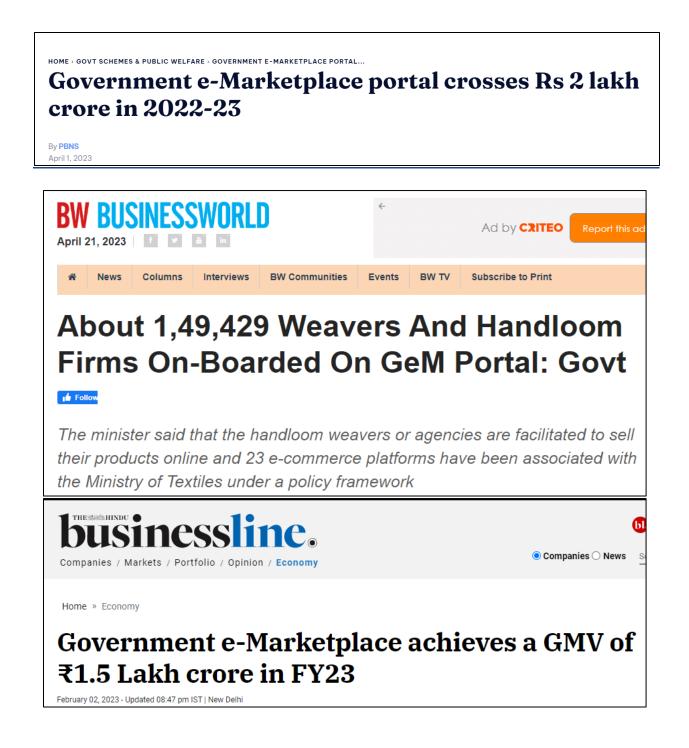
Media coverage on GeM

Procurement through GeM portal surpasses Rs 2 lakh crore in FY23

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By Yogima Seth Sharma, ET Bureau 🔹 Last Updated: Apr 01, 2023, 01:58 PM IST



Now GeM sellers can use India Post, CSC services to deliver goods in the hinterland

Ease of doing business for MSMEs: "We are democratising GeM further with its integration with Common Service Centres & India Post," said Commerce Minister Piyush Goyal announcing the rollout at an event.



We are extremely conscious of empowering MSMEs, handholding them and helping in getting business as well: GeM CEO

Ease of Doing Business for MSMEs: Launched in August 2016, GeM has added over 61,000 government organisations and departments as buyers while nearly 47 lakh MSMEs are registered on the portal as sellers.

Written by MSME Desk

July 12, 2022 10:00 IST



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GeM inks MoU with Self Employed Women's Association

BY PSU CONNECT - DATE: 19-05-22

GeM has sought to address the twin challenges of "access to markets" through GeM Outlet Stores and "access to finance" through GeM Sahay application for such under-served seller groups.







Piyush Goyal 🧇 @PiyushGoyal · Dec 21, 2022 विक्रेता GeM के सच्चे ग्राहक हैं।

Launched the integration of Common Service Centres & @IndiaPostOffice with @GeM_India & 'Seller Samvad' Booklet.

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Delighted to hear the good experiences of sellers whose businesses have grown significantly with **GeM**.

gyoutube.com/watch?v=_FoAyT...

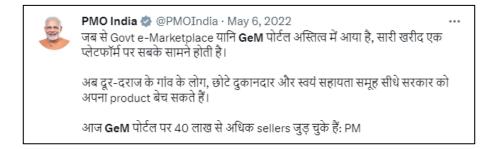




























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