CIRCULAR

Sub.: Domestic preferences in public procurement - reg.

In view of the O. M. no.- 18/3/2017-PPB, dated 06.04.2017 of the Deptt. of Expenditure, Ministry of Finance (copy enclosed), all concerned are requested to prefer locally manufactured goods or locally provided services for mandatory procurement of any goods or services from any category of bidders.

Encl. - As above.

Copy to:
1. C.E.-I, II, III/Director (M)/Director (Traffic)/CAO/AS (Estt.)/ AS (Admin)/AS (SRC), IWAI, Noida
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PPS/PS/P.A. to Chairperson/Vice-Chairman/Member (Finance)/Member
(Traffic)/Member (Tech.)/Secretary, IWAI, Noida
No.F.18/3/2017-PPD
Government of India
Ministry of Finance
Department of Expenditure
Public Procurement Division

Room No. 168 C, North Block,
New Delhi dated 06th April, 2017.

Office Memorandum

Subject: Domestic Preferences in Public Procurement.

Attention is invited to Rule 153(iii) of General Financial Rule (GFR), 2017 wherein it is stipulated that the Central Government may, by notification, provide for mandatory procurement of any goods or services from any category of bidders, or provide preference to bidders on the ground of provisions of locally manufactured goods or locally provided services. In this regard, the following is clarified:

(i) Wherever notifications are issued under Rule 153 (iii) of General Financial Rules (GFR), 2017, adherence to such notifications shall be binding and this shall be monitored by the Financial Advisers (FAs).

(ii) All Ministries/ Departments to examine if there is any requirement of providing preference to the domestic bidders under Rule 153(iii) of GFR, 2017. An analysis of the domestic manufacturing/ supplier base by the Ministry/ Department needs to precede the identification of goods for notification under the provisions of GFR. Goods notified shall be those in which there is sufficient domestic competition. This exercise should be completed by the respective Ministry/ Department within a period of 90 days from the date of this OM.

In case any Ministry/ Department is of the view that there is no need to issue such guidelines, reasons for the same may be intimated by them to Department of Expenditure (DoE) within 30 days. The FAs shall to monitor this exercise.

(iii) Each Ministry/ Department should come up with specific, clear and enforceable criteria defining domestic manufacturing/ supply in terms of domestic content using such norms as may be appropriate in each case. Measures for verifying adherence to domestic content requirement shall also be put in place, e.g., the proposed guidelines of Ministry of Petroleum & Natural Gas require certification by the supplier's statutory auditor.
2. This issues with the approval of Finance Secretary.

(Pijush Mohanta)

Under Secretary to Govt. of India
Tel.No.24621305

To

Secretaries & Financial Advisors of all Ministries/Departments of the Government of India.

Copy to :- Dr. T.V. Somanathan, Joint Secretary(s) to Prime Minister,
Prime Minister's Office, South Block, New Delhi. w.r.t. PMO's