

Directly (Dee Feels)
This order along with the PPP (PMI) to be up (loaded in the portal)

F.No. P-45021/121/2018- (B.E.-II)
 Government of India
 Ministry of Commerce & Industry
 Department for Promotion of Industry & Internal Trade
 (Public Procurement Section)

Udyog Bhawan, New Delhi
 Dated June 20, 2019

OFFICE MEMORANDUM

Subject: Restrictive and discriminatory conditions against the local suppliers in violation of Public Procurement (Preference to Make in India) Order, 2017 - Regarding

Undersigned is directed to draw your kind attention to the Public Procurement (Preference to Make in India) Order, 2017 (PPP-MII Order) issued by Department for Promotion of Industry and Internal Trade. Copy of the Order (as revised on 29.5.2019) is attached.

2. The order aims to promote domestic value addition in public procurement. The policy provides purchase preference to domestic manufacturers and service providers, who comply with local content requirements, in public procurement activities over entities merely importing to trade or assemble items. The Order is applicable on procurement of goods services and works (including turnkey works) by a Central Ministry/ Department, their attached/subordinate offices, autonomous bodies controlled by the Government of India and Government companies.

CS - in meeting

JS (As)

JS (R)

(CEO GeM)

Imp. om we may circulate this to all concerned and place it in e-office.

3. The Central agencies undertake massive public procurement every year. However, the benefits of this procurement, at times, do not accrue to the domestic industry even where it is technically and financially competitive due to restrictive and discriminatory conditions being imposed against domestic players. This Order is meant to address these concerns and thereby spur employment and incomes in the country.

4. A number of grievances regarding violation of provisions of the Order by various Central agencies have been received. It has been noted that many central government

Add (EOC Rom)

Approved 20/6/19

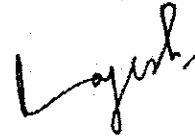
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25/06/19

O/o Addl. CEO (GeM)(AKK)
 F.No. L-226

agencies are including restrictive and discriminatory conditions against the local suppliers in the bid documents. Some of the common examples of restrictive and discriminatory conditions against the local suppliers are enclosed as Annexure "A".

5. It is requested to kindly publicize "common examples of restrictive and discriminatory conditions against the local suppliers" amongst all agencies under your control and direct them to ensure that their tenders don't include restrictive and discriminatory conditions against the local suppliers.

6. This issues with the approval of competent authority



(Rajesh Gupta)
Director

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Encl. : As above

To

All Ministries/Departments

Common examples of restrictive and discriminatory conditions against the local suppliers

- **Restrictive and Discriminatory Eligibility Criteria/ Tender Conditions**
 - ✓ Mandatory Presence in Gartner Magic Quadrant - IT and Telecom Products
 - ✓ Mandatory USFDA/ European CE – Medical Devices
 - ✓ Excessive Turnover requirement – Rs.1000 Cr for procurement of Rs. 70 Cr
 - ✓ Excessive past Experience – 10 years, Export experience to G8 countries
 - ✓ Additional requirement of Bank Guarantee for Local Supplier
 - ✓ Delayed Payment Terms to Local suppliers

- **Restrictive and Discriminatory specifications - Foreign Brands specified**
 - ✓ CISCO, NEC, Alcatel, Siemens – Telecom Products
 - ✓ HP, Dell, Lenovo – IT products
 - ✓ OTIS, Mitsubishi, Schindler, Kone, Johnson - Lifts

- **Restrictive and Discriminatory specifications - Pre-approved foreign brands in works/turnkey projects**
 - ✓ Local manufacturers not included in pre-approved list.

- **Restrictive and Discriminatory specifications - Specification tailor made to suit foreign products**
 - ✓ Foreign technical standards indicated in the specification
 - ✓ Technical parameters to favour foreign products viz. (-)25 degree temperature compatibility for EPBX equipment being procured for airport in Central India