

No. 14/6/2014-FD  
 Government of India  
 Ministry of Water Resources, River Development & Ganga Rejuvenation

Shram Shakti Bhawan, Rafi Marg,  
 New Delhi, dated 7<sup>th</sup> September, 2016

OFFICE MEMORANDUM

**Subject: Recommendation of Expenditure Management Commission (EMC)-  
 regarding**

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The undersigned is directed to forward herewith a copy of OM No F.16/1/2016-PPD dated 04<sup>th</sup> August, 2016 received from Department of Expenditure on the subject cited above (Copies enclosed).

2. Expenditure Management Commission (EMC) was constituted by the Government of India in September, 2014 to look into various aspects of Expenditure reforms to be undertaken by Government.

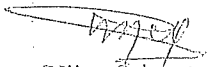
3. In this context, recommendations of EMC and comments from Department of Expenditure are as follows:

Recommendations by Expenditure Management Commission	Comments by Department of Expenditure
<p><u>(Recommendation No.75 of December, 2015)</u>                      While e-procurement has some obvious advantages such as savings in time and cost, the concerns relating to security and transparency need to be adequately addressed. It is recommended that initiatives towards e-procurement be strengthened and made more robust and that the features of e-procurement portals and duly certifies/audited as per the guidelines of Department of Electronics &amp; Information Technology (DietY). All e-procurement system should be certified by Standardization testing and Quality Certification (STQC) for compliance with DietY guidelines 31<sup>st</sup> August,2011</p>	<p>It may be recalled that the instructions were issued to all Ministries/Departments by Department of Expenditure OM No. 10/3/2012-PPC dated 30.03.2012 that Ministries/Departments which do not have a large volume of procurement or carry out procurements required only for day to day running of offices and also have not initiated e-procurements through any other solution provider may use the e-procurement solution developed by National Informatics Centre (NIC). Ministries/Departments with large volume of procurement other than of the nature covered as above may either use the e-procurement solution developed by NIC or engage any other service provider following the due process.</p>
<p><u>(Recommendation No.76 of December,2015)</u>                      Payments delays impact of bid value as this is factored into the bid by way of an increase in interest carry cost. It is learnt that Delhi Metro Rail Corporation has instituted a system whereby 75% of all running bills are released within 7 days of submission, without a detailed check on the claim. The balance is released after the claims are scrutinized as per procedure. This system is stated to have helped both in getting more competitive bids and in speedier execution, as cash flow is critical requirement in a project. It is recommended</p>	<p>All Ministries/Departments</p>

AS  
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<p>that this practice of releasing a specified proportion of running milestone payments, within a week of the bill being submitted, could be instituted in other large projects as well. If required an enabling provision may be incorporated in the Special Conditions of Contract.</p>	
<p><i>(Recommendation No.89 of December,2015)</i> Rule 197 (of GFR) describes modes of disposal of surplus and unserviceable goods. Experience shows that in many Departments the disposal of unserviceable goods does not take place as the process of cumbersome. It is learnt that Ministry of Railways uses e-auction for disposal of stores. This system can be used by other Government Departments also for speedy disposal of surplus and unserviceable goods</p>	<p>In this regard it is stated that Ministry of Railway vide their letter no. 2010/RS(G)/779/10COPP dated 27.02.2016 has agreed to offer its e-auction services to the other Ministries.</p>

3. The copy of the aforesaid OM is being forwarded for adherence and compliance.
4. This issues with the approval of JS&FA, Ministry of Water Resources, River Development & Ganga Rejuvenation.

  
 (Vijay Srivastava)  
 Under Secretary (IFD)  
 Tel. 23719302

*Encl: As stated.*  
Ministry of Water Resources

1. AS&MD, National Water Mission, C.G.O. Complex, New Delhi-110003
2. Joint Secretary (Admn), Ministry of Water Resources, Shram Shakti Bhavan, New Delhi
3. Joint Secretary (PP), Ministry of Water Resources, Shram Shakti Bhavan, New Delhi
4. Joint Secretary (RB), Ministry of Water Resources, Shram Shakti Bhavan, New Delhi
5. Joint Secretary(Pen River); Ministry of Water Resources, Krishi Bhavan, Room No.236A, New Delhi
6. ADG( Statistics), Ministry of Water Resources, Lok Nayak Bhavan, Room No.6, Khan Market New Delhi-110003.
7. Commissioner(SP), Ministry of Water Resources, Shram Shakti Bhavan, New Delhi
8. Commissioner (Ganga), Ministry of Water Resources, Block 11, 8<sup>th</sup> Floor, C.G.O. Complex, New Delhi-110003
9. Commissioner(Indus), Ministry of Water Resources, Block 11, 8<sup>th</sup> Floor, C.G.O. Complex, Lodhi Road, New Delhi-110003
10. Commissioner(B&B), Ministry of Water Resources, Block 3, 2<sup>nd</sup> Floor, Near ITBP Building, C.G.O. Complex, New Delhi-110003
11. Economic Advisor, Ministry of Water Resources, Shastri Bhavan, New Delhi

Attached/subordinate Offices and Organisations of Ministry of Water Resources

1. Chairman, Central Water Commission, Sewa Bhavan, R.K. Puram, New Delhi.
2. Mission Director, National Mission for Clean Ganga (NMCG), Rear Wing,3<sup>rd</sup> Floor, MDSS Building 9, CGO Complex, Lodi Road,New Delhi-110003

3. Chairman, CGWB, Jamnagar House, New Delhi.
4. Director General, National Water Development Agency, Community Centre, Saket, New Delhi-110017.
5. Director, NIH, Jalvigyan Bhawan, Roorkee – 247667 (Uttaranchal).
6. Chairman, Brahmaputra Board, Basistha, Guwahati – 781029 (Assam)
7. Director, CWPRS, P.O. Khadakwasla, Pune – 411024
8. Director, CSMRS, Hauz Khas, New Delhi
9. Chairman, GFCC, Sinchai Bhawan, 3rd Floor, Patna – 800015 (Bihar)
10. Member, Upper Yamuna River Board, Wing No.4, GF, West Block-1, R.K. Puram, New Delhi
11. Chief Engineer, Betwa River Board, Nandanpura, Jhansi – 284003 (UP).
12. Member Secretary, Polavaram project Authority, Krishna Godavari Bhawan, H.No. 11-4-648,(1st floor), AC Guards, Hyderabad- 500 004
13. Controller of Accounts, Ministry of Ministry of Water Resources, River Development & Ganga Rejuvenation, Shastri Bhawan, New Delhi

CPSUs:

1. NPCC Limited, Raja House, 30-31, Nehru Place, New Delhi – 110 019.
2. WAPCOS Limited, Kailash, 5<sup>th</sup> Floor, 26 Kasturba Marg, New Delhi – 110 001

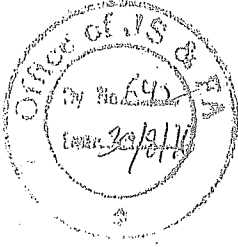
Copy along with enclosures also to:

1. PS to Hon'ble Minister(WR,RD&GR)
2. PS to Hon'ble MOS(WR,RD&GR)
3. Sr. PPS to Secretary (WR,RD&GR)
4. PPS to SS (WR,RD&GR)
5. PPS to JS&FA
6. Under Secretary (E-Gov) – with request to put the orders on web-site of MOWR

*A Tech Director (NITC)*  
*Asst*  
*9/9/18*

*Vijay*  
 (Vijay Srivastava)  
 Under Secretary (IFD)  
 Tel. 23719302





F.No.16/1/2016-PPD  
Government of India  
Ministry of Finance  
Department of Expenditure  
Procurement Policy Division  
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516, Lok Nayak Bhawan,  
New Delhi.  
Dated:- 24<sup>th</sup> August, 2016.

OFFICE MEMORANDUM

Subject: - Recommendation of Expenditure Management Commission (EMC) – regarding

The Government of India had constituted EMC in September, 2014 to look into various aspects of Expenditure reforms to be undertaken by the Government. The Committee was headed by Dr. Bimal Jalan, eminent economist and public policy experts.


2. In this context, it is noted that EMC has recommended following related to Public Procurement.

Recommendation No.75 (December, 2015)

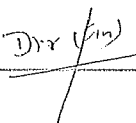
*"While e-procurement has some obvious advantages such as savings in time and cost, the concerns relating to security and transparency need to be adequately addressed. It is recommended that initiatives towards e-procurement be strengthened and made more robust and that the features of e-procurement portals are duly certified/ audited as per the guidelines of Department of Electronics & Information Technology (DeitY). All e-procurement system should be certified by Standardization Testing and Quality Certification (STQC) for compliance with DeitY Guidelines 31st August, 2011."*

3. It may be recalled that the instructions were issued to all Ministries/ Departments by Departemnt of Expenditure OM No. 10/3/2012-PPC dated 30.03.2012 that Ministries/ Departments which do not have a large volume of procurement or carry out procurements required only for day to day running of offices and also have not initiated e-procurements through any other solution provider may use the e-procurement solution developed by National Informatics Center (NIC). Ministries/ Departments with large volume of procurement other than of the nature covered as above may either use the e-procurement solution developed by NIC or engage any other service provider following the due process.

4. In view of all above, it is once agin requested that all Ministries/Departments to certify their e- procurement systems from STQC for compliance with DeitY Guidelines dated 31<sup>st</sup> August, 2011. It is also requested that all the Ministries/Departments should also ensure that valid Audit Certificate issued by STQC is displayed on the Home-Page of all e-procurement websites being used by them.

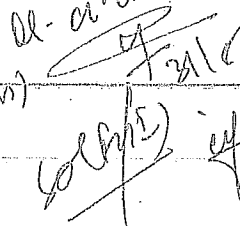
  
(Vinayak T. Likhkar)  
Under Secretary to Govt of India  
Tele/Fax No.24621305  
vinayak.likhar@nic.in

1. Secretaries/ All Ministries & Departments
2. Financial Advisors/ All Ministries & Departments.

  
Dr. Bimal Jalan

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2. In this context, it is noted that EMC has recommended following related to Public Procurement.

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*"Payments delays impact the bid value as this is factored into the bid by way of an increase in interest carry cost. It is learnt that Delhi Metro Rail Corporation has instituted a system whereby 75 percent of all running bills are released within 7 days of submission, without a detailed check on the the claim. The balance is released after the claims are scrutinised as per procedure. This system is stated to have helped both in getting more competitive bids and in speedier execution, as cash flow is a critical requirement in a project. It is recommended that this practice of releasing a specified proportion of the running milestone payments, within a week of the bill being submitted, could be instituted in other large projects as well. If required an enabling provision may be incorporated in the Special Conditions of Contract."*

3. All Ministries / Departments are advised to examine the recommendation of EMC and take appropriate action on the same.



(Vinayak T. Likhari)  
Under Secretary to Govt of India  
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vinayak.likhar@nic.in

1. Secretaries/ All Ministries & Departments.
2. Financial Advisors/ All Ministries & Departments.





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3. In this regard, it is stated that Ministry of Railway vide their letter no 2010/RS (G)/779/10COPP dated 27.07.2016 has agreed to offer its e-auction services to other Ministries.

4. All Ministries/ Departments are requested to consider using e-auction services of Ministry of Railways for speedy disposal of surplus and unserviceable goods. Ministries/Departments may also mutually decide terms and conditions for the same with Ministry of Railways.

  
(Vinayak T. Likhari)  
Under Secretary to Govt of India  
Tele/Fax No.24621305  
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1. Secretaries/ All Ministries & Departments.
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