



THE ASSAM GAZETTE

অসাধাৰণ

EXTRAORDINARY

প্ৰাপ্ত কৰ্তৃত্বৰ দ্বাৰা প্ৰকাশিত

PUBLISHED BY THE AUTHORITY

নং 329 দিশপুৰ, শুক্ৰবাৰ, 11 ডিচেম্বৰ, 2015, 20 আঘোণ, 1937 (শক)
No. 329 Dispur, Friday, 11th December, 2015, 20th Ageahayana, 1937 (S.E.)

GOVERNMENT OF ASSAM

ORDERS BY THE GOVERNOR

INDUSTRIES AND COMMERCE DEPARTMENT : : BLOCK 'C', 2ND FLOOR,
ASSAM SECRETARIAT (CIVIL) DISPUR : : GUWAHATI-6.

NOTIFICATION

The 30th November, 2015

No.CI.313/2003/Pt.I/125 :- The Governor of Assam is pleased to enunciate the Procurement Preference Policy, Assam, 2015 with immediate effect on repealment of the Assam Preferential Stores Purchase Act (APSP Act), 1989.

Procurement Preference Policy, Assam, 2015

Introduction : In 2006 a Central Act viz Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) came into force. Section 11 of the Act is reproduced as under: "*For facilitating promotion and development of micro and small enterprises, the Central Government or the State Government may, by order notify from time to time, preference policies in respect of procurement of goods and services, produced and provided by micro and small enterprises, by its Ministries or departments, as the case may be, or its aided institutions and public sector enterprises*".

Assam Preferential Stores Purchase (APSP) Act 1989 does not match with the provision of Micro Small and Medium Enterprise (MSME) Development Act, 2006 and other relevant institutions of the Central/State Government like CVC.

Whereas it has become expedient and necessary to encourage growth of enterprises in the State of Assam and promotion, development and enhancement of competitiveness thereof especially for Micro and Small Enterprises.

And whereas, the Public Procurement Policy rests upon core principles of competitiveness, adhering to sound procurement practices and execution of orders for supply of goods or services in accordance with a system which is fair, equitable, transparent, competitive and cost effective.

And whereas, for facilitating promotion and development of Micro and Small Enterprises, the State Government, as the case may be, by Order notify from time to time, preference policies in respect of procurement of goods and services, produced and provided by Micro and Small Enterprises, by its Departments, State Public Sector Enterprises and its aided institutions.

The Governor of Assam, by order, is pleased to notify the Procurement Preference Policy, Assam, 2015 (hereinafter referred to as the Policy) in respect of procurement of goods and services produced and provided by Micro and Small Enterprises, by its Departments, State Public Sector Undertakings and its aided institutions.

1. Short title, extent and commencement:

- i. The Policy may be called Procurement Preference Policy, Assam, 2015.
- ii. The Policy will come into effect from the date of its notification in the official gazette.
- iii. It shall extend to the whole State of Assam.

2. Legal Frameworks:

The legal framework of the policy is based on the provisions of Section 11 (under Chapter IV) of Micro, Small and Medium Enterprises Development Act, 2006. Section 11 (under chapter IV) of MSME Development Act, 2006 empowers the state Government to resort to preferential procurement vis-a-vis the principles of the public procurement and AFRBM Act and other extant rules /guidelines.

3. Objectives.

- i. To facilitate growth of Micro and Small Enterprises, to provide opportunity to local entrepreneurial talents and to maximize avenues for employment generation.
- ii. Increased participation by Micro and Small Enterprises in the State Government Stores Purchase programme.
- iii. Enhancement of competitiveness amongst the Micro and Small Enterprises.
- iv. Encourage linkages between Micro & Small Enterprises and Large Enterprises.

- v. Increased share of supplies of Micro and Small Enterprises to State Government Departments and its aided institutions and Public Sector Enterprises.
- vi. Development of MSEs vendor in rural areas and enhancing participations of Micro and Small Enterprises including those owned by Scheduled Castes or Schedule Tribes and Women.

4. Definition:

In this Policy, unless the context otherwise requires:

- i. "ASIDC" means Assam Small Industries Development Corporation Ltd.
- ii. "Central Government" means the Government of India.
- iii. "DI&CC" means District Industries & Commerce Center
- iv. EM part II means Entrepreneur Memorandum Part II which is a prescribed format required to be submitted by Entrepreneurs to DI&CC/Sub DI&CC once the enterprises start production. EM Part-II Form contains 21 columns to be filled up by the unit and the acknowledgement contains 9 columns to be filled.
- v. "Governor" means the Governor of Assam.
- vi. L₁ means the lowest quoted price by a valid bidder participating in tender.
- vii. "MSE" means Micro and Small Enterprises.
- viii. "Micro Enterprises" carries the definition as given in "Micro, Small and Medium Enterprises Development Act, 2006".
- ix. "PPP" means Procurement Preference Policy.
- x. "Schedule-1" means industrially backward and disadvantageous area as notified by Government in the Department of Industries & Commerce from time to time.
- xi. "Schedule-2" means the areas within the State of Assam which are not included in Schedule-1.
- xii. "State" means the State of Assam.
- xiii. "State Government" means the Government of Assam.
- xiv. "Small Enterprises" carries the definition as given in "Micro, Small and Medium Enterprises Development Act, 2006".

5. Registration for getting preference under the Policy:

Any MSE who has obtained an EM Part-II from the District Industries & Commerce Center shall be eligible for registration under the Policy. Registration shall be valid for 2 (Two) years and will be reviewed and renewed after every 2 (Two) years by verifying continuous commercial and technical competence of the registered Micro and Small Enterprises. The

General Manager, DI&CC will issue Registration Certificate under the Policy.

Such units shall be called enterprises registered under Procurement Preference Policy (PPP) and when such units supply/ intend to supply goods or render services to State Government offices/ Corporations/ PSUs etc they shall be called suppliers which shall also include ASIDC.

Such certificate issued by General Manager, District Industries & Commerce Centre will clearly indicate name of the MSE, name of owner(s) of MSE, name of street, town/village, contact email address, phone No., items for which registered, capacity of production and sales turn over as per balance sheet of previous years. The certificate should also include the dates of issuance and supply.

6. Preference:

i) MSEs registered under the Policy and falling in Schedule-1 areas will be entitled for price preference upto 20% over the L1 price if L1 happens to be Non-registered industry/ supplier under this policy. In case more than one such unit qualifies for price preference, then the lowest quoted rate by the MSE registered under the policy and falling in Schedule-1 will be considered and supply order shall be given to such enterprise.

ii) MSEs registered under the Policy and falling in Schedule-2 areas will be entitled for price preference upto 15% over the L1 price if L1 happens to be Non-registered industry/ supplier under the policy. In case more than one such unit qualifies for price preference, then the lowest quoted rate by the MSE registered under the policy will be considered and supply order shall be given to such enterprise.

iii) MSEs registered under the Policy and falling in Schedule-1 areas will be entitled for price preference upto 10% over the L1 price if L1 happens to be PPP registered MSEs and located in Schedule-2 area. In case more than one such unit qualifies for price preference, then the lowest quoted rate by the MSE registered under the policy and falling in Schedule-1 areas will be considered and supply order shall be given to such enterprise.

However, in all the above 3 (three) categories, such preferential procurement will be restricted to 25% of the tender value in all the cases and the rest 75% of the tender value will be allowed to L1.

iv) In case of MSEs registered under the policy and falling in Schedule-1 area and MSEs registered under the policy and falling in Schedule-2 area qualify for supply of goods where L1 happens to be a Non-registered industry/supplier under this policy, then the supply will be distributed as below:

- (a) MSEs registered under the policy located in Schedule-1 area: 12.50%
- (b) MSEs registered under the policy located in Schedule-2 area: 12.50%
- (c) Non-registered industry/ supplier quoting L1: 75.00%

Illustration is at Annexure-A1 to A4

7. Tendering & Procurement.

- (i) All purchases above Rs.5.00 Lakh (Rupees Five Lakh) should be done by OPEN TENDER under this policy by the respective departments themselves.
- (ii) If any purchasing department so desires, it can appoint ASIDC as its official tendering agency as per terms and conditions agreed upon by the purchasing department and ASIDC.
- (iii) Purchasing department, if so desires, can also appoint ASIDC as its procuring agency as per terms and conditions agreed upon by the purchasing department and ASIDC.

8. Rate Contract:

ASIDC shall conclude rate contracts with the registered suppliers for goods and items of standard types which are identified as common user items and are needed on recurring basis by various State Government Departments/ State PSUs/ its aided institutions.

Detailed operational modalities along with items to be considered for such rate contract will be finalized by ASIDC within 3 (three) months of the notification of the Policy with the approval of Commissioner of Industries.

9. Marketing Syndication and MSEs Consortium:

ASIDC shall also act as a representative consortium on behalf of the PPP registered MSEs to procure and supply goods/ services to State Government offices/ its aided institutions/ Public Sector Undertakings for which it (ASIDC) shall qualify for the following benefits.

- a. Issue of tender sets free of cost.
- b. Exemption from payment of Earnest Money.
- c. Waiver of Security Deposit.

For such services rendered to PPP registered MSEs under the consortium, with the consent of MSEs, upto one percent of the value of supply order would be charged by ASIDC as "Service Charges" from the MSE supplier if any such supply order is bagged by MSEs under ASIDC's consortium.

10. Developing Micro and Small Enterprise vendors, enhancing participations of Micro and Small Enterprises including those owned by Scheduled Castes or Schedule Tribes and Women:

ASIDC shall also act as a Nodal Agency for development of Micro & Small Enterprises in the State and take necessary steps to develop appropriate vendors by organising Vendor Development Programmes/ Buyer-Seller Meets for the development of Micro & Small Enterprise in the state.

Further, for development of Micro and Small Enterprises of Schedule Caste, Schedule Tribe and women:-

- a) Special Vendor Development Programmes/ Buyer-Seller Meets shall be conducted for Scheduled Castes or Scheduled Tribes including that of women.
- b) Outreach programmes shall be conducted by ASIDC to cover more and more Micro and Small Enterprises from Scheduled Castes or Scheduled Tribes.

For the purpose of the same State Government shall make a separate budget provision for ASIDC to carry out the works.

11. Payment:

Payment for purchase would be made by the purchasing department directly to the supplier which shall also include ASIDC, in case the supplier is ASIDC.

12. Quality:

Quality of the items shall be as per purchasers' specification. Quality certification may be obtained from the Quality Control Laboratories under the Industries & Commerce Department, Assam, any other Central/State Government authorized institution/agency.

13. Annual Plan for Procurement from Micro and Small Enterprises:

The State Government Departments/ State PSU/ State Govt. aided institutions shall also prepare Annual Procurement Plan for purchases within 30th June every year and upload the same on their official website and also submit the same to ASIDC to upload the departmental Annual Procurement Plan in the Corporation's website so that Micro and Small Enterprises may get advance information about requirement of procurement.

14. Applicability and Compliance:

The Procurement Preference Policy of MSEs shall be statutory under section 11 of Micro, Small Medium Enterprises Development Act, 2006 and mandatory for all State Government offices, its aided institutions, Public Sector Undertaking.

15. Review Committee:

There shall be a Review and Monitoring Committee headed by the senior most Secretary, Industries & Commerce Department, Assam for ensuring proper implementation of the Policy. The Industries & Commerce Department, Assam will notify the Committee along with the terms of reference.

16. Notification of Schedule-I & II

Industries & Commerce Department, Government of Assam will notify Schedule-I & II from time to time.

17. Removal of difficulty:

Any difficulties experienced during the course of implementation of the above Policy shall be clarified by Government of Assam, Industries & Commerce Department.

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ANNEXURE-1

Supposing

MSEs registered under the policy located in Schedule-1 area have quoted rates as below:

- A: Rs.120.00
- B: Rs.117.00
- C: Rs.115.00 (Lowest)

And Non-registered industries/ suppliers have quoted rates as below:

- X: Rs.100.00 (L1)
- Y: Rs.102.00
- Z: Rs.105.00

$$L1 + 20\% = \text{Rs.}120.00$$

Though MSEs "A", "B", & "C" fall in the preferential range of 20%, rate quoted by "C" being lowest in the category will qualify for supply of 25% of the supply order and "X" will get 75% of the supply order.

Now, supposing the volume of supply order is 200 chairs, then "C" will supply 50 (i.e. 25%) chairs and "X" will supply 150 chairs (i.e. 75%)

ANNEXURE-2

Supposing

MSEs registered under the policy located in Schedule-2 area have quoted rates as below:

- A: Rs.115.00
- B: Rs.112.00
- C: Rs.110.00 (Lowest)

And Non-registered industries/ suppliers have quoted rates as below:

- X: Rs.100.00 (L1)
- Y: Rs.102.00
- Z: Rs.105.00

$$L1 + 15\% = \text{Rs.}115.00$$

Though MSEs "A", "B", & "C" fall in the preferential range of 15%, rates quoted by "C" being the lowest in the category will qualify for supply of 25% of the supply order. "X" will get 75% of the supply order.

Now, supposing the volume of supply order is 200 chairs, then "C" will supply 50 (i.e. 25%) chairs and "X" will supply 150 chairs (i.e. 75%)

ANNEXURE-3

Supposing

MSEs registered under the policy located in Schedule-1 area have quoted rates as below:

A: Rs.110.00

B: Rs.118.00

C: Rs.105.00 (Lowest)

and MSEs registered under this policy and falling in Schedule-2 area and have quoted rates as below:

X: Rs.100.00 (L1)

Y: Rs.105.00

Z: Rs.108.00

L1 + 10% = Rs.110.00

Though MSEs "A" & "C" fall in the preferential range of 10%, rate quoted by "C" being the lowest, "C" will qualify for supply of 25% of the supply order. "X" will get 75% of the supply order.

Now, supposing the volume of supply order is 200 chairs, then "C" will supply 50 (i.e. 25%) chairs and "X" will supply 150 chairs (i.e. 75%)

ANNEXURE-4

Supposing

MSEs registered under the policy and located in Schedule-1 areas have quoted rates as below:

A: Rs.105.00 (Lowest)

B: Rs.108.00

C: Rs.110.00

and MSEs registered under the policy and located in Schedule-2 areas have quoted rates as below:

D: Rs.102.00 (Lowest)

E: Rs.103.00

F: Rs.105.00

and Non-registered industry/ suppliers quoting rates as below:

X: Rs.90.00 (L1)

Y: Rs.95.00

Z: Rs.98.00

L1 + 20% = Rs.108.00

L1 + 15% = Rs.103.50

Though MSEs located in Schedule-1 areas "A" & "B" fall in the preferential range of 20%, price quoted by "A" being lowest in the category will qualify for supply.

and though MSEs "D" & "E" registered under the policy and located in Schedule-2 area fall in the preferential range of 15%, "D" being the lowest in the category will qualify for supply.

In the above circumstances the supply will be distributed as below:

A: 12.50%

D: 12.50%

X 75.00%

Now, supposing the volume of the supply is 200 chairs then "X" will get 150 chairs, "A" & "D" will get 25 chairs each.

H. K. SHARMA,

Commissioner and Secretary to the Govt. of Assam,
Industries and Commerce Department.