



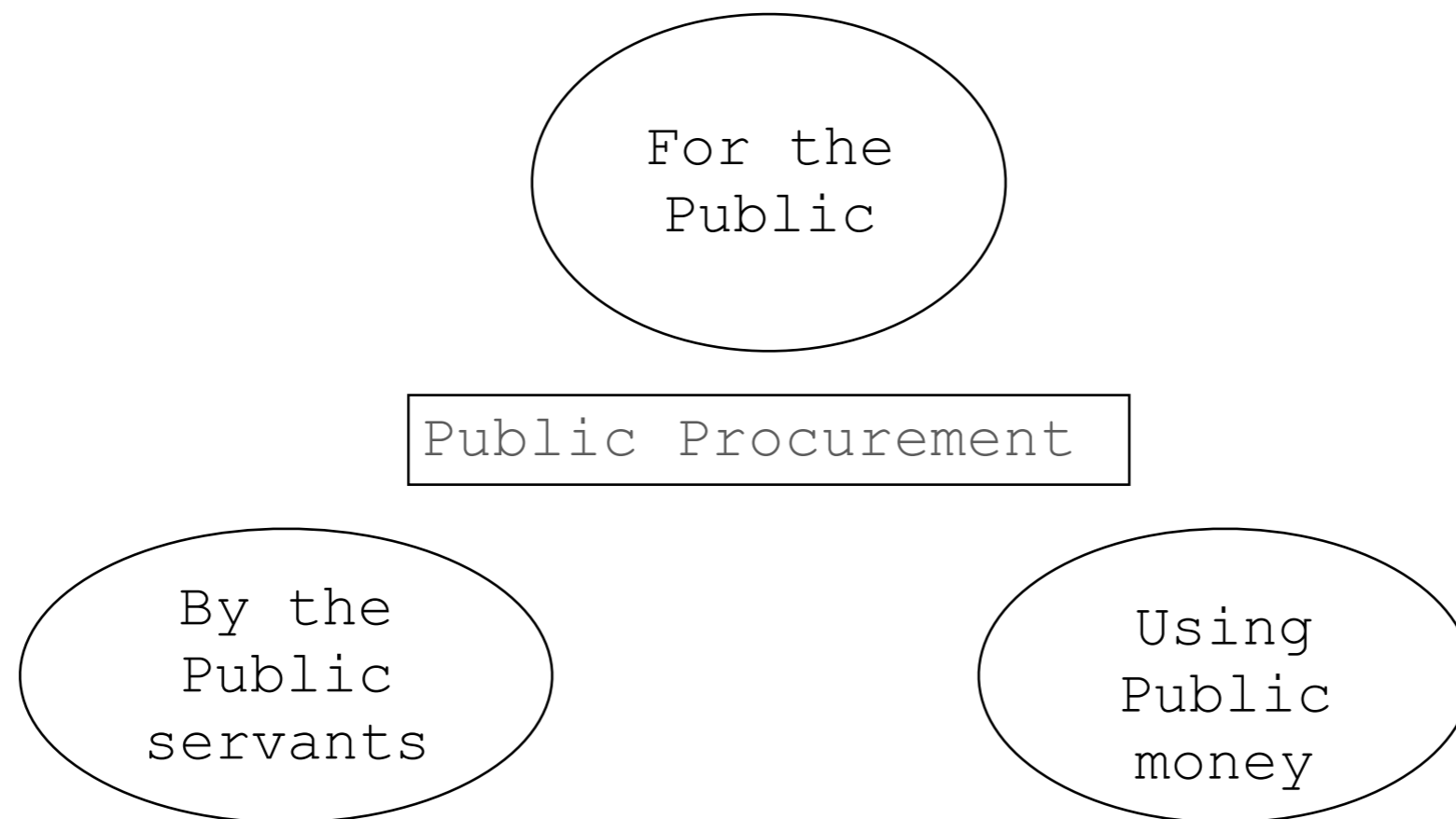
PUBLIC PROCUREMENT AND GENERAL FINANCIAL RULES 2017

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PUBLIC PROCUREMENT : MEANING

- Public Procurement means acquisition by purchase, lease, license or otherwise of goods, works or services or any combination thereof, including award of Public Private Partnership Projects, by a procuring entity, whether directly or through an agency with which a contract for procurement services is entered into.



STANDARDS OF FINANCIAL PROPRIETY

- Every officer incurring or authorising expenditure from public moneys should be guided by **high standards** of financial propriety. Every officer should also enforce financial order and strict economy and see that all relevant financial rules and regulations are observed, by his own office and by subordinate disbursing officers. Among the principles on which emphasis is generally laid are the following:-
 1. Every officer is expected to exercise the same vigilance in respect of expenditure incurred from public moneys as a person of ordinary prudence would exercise in respect of expenditure of **his own money**.
 2. The expenditure should not be prima facie more than the **occasion demands**.
 3. No authority should exercise its powers of sanctioning expenditure to pass an order which will be directly or indirectly to its **own advantage**.

4. Expenditure from public moneys should not be incurred for the benefit of a **particular person or a section of the people**, unless -
- (a) a claim for the amount could be enforced in a Court of Law, or
 - (b) the expenditure is in pursuance of a recognised policy or custom.
5. The amount of allowances granted to meet expenditure of a particular type should be so regulated that the allowances are not on the whole a **source of profit to the recipients**.

SEVEN PRINCIPALS OF PUBLIC LIFE:

- **“Selflessness, Integrity, Objectivity, Accountability, Openness, Honesty and Leadership.**
- The above principles of public life are of general application in any democracy and one is expected to bear them in mind while scrutinising the holder of a public office. It is trite that the holders of public office are entrusted with certain powers to be exercised in public interest alone, and therefore, the office is held by them in trust for the people. Any deviation from the path of rectitude by any of them amounts to a breach of trust and must be severely dealt with....”

*[The SC in the Vineet Narain & Others vs. Union of India & Another (PIL).
Citation – Lord Nolan’s Report Vol on Standards of Public Life]*

SUPPORT SYSTEM OF PUBLIC PROCUREMENT:

1. Government's Policy Framework
2. Legal Framework:
3. Procedural Framework
4. Regulatory Framework

PUBLIC PROCUREMENT POLICY FRAMEWORK:

- Every authority delegated with the financial powers of procuring goods, works and services in public interest shall have the responsibility and accountability to bring efficiency, economy and transparency in matters relating to public procurement and for fair and equitable treatment of suppliers and promotion of competition in public procurement

[Rule 144 of GFR, 2017]

SEVEN 'RIGHTS OF PUBLIC PROCUREMENT'

- The five policies (Economy, Efficiency, Transparency, Equitability, Competition) of Public Procurement lead to the following seven “Rights” of Public Procurement;
 1. Right Quantity
 2. Right Quality
 3. Right Source
 4. Right Time
 5. Right Price
 6. Right Procedure
 7. Right Terms and Conditions of Procurement

GENERAL FINANCIAL RULES 2017

- GFR are a compilation of rules and orders of Government of India to be followed by all while dealing with matters involving public finance
- These are treated as executive instructions to be complied with by all Departments and Organisations under the Government and specified bodies except otherwise provided for in these Rules.
- General Financial Rules Journey.
 1. The first version was issued in 1947
 2. The second version in 1963
 3. The third version in 2005
 4. The present version was issued in February 2017

GFR 2017

- Procurement of Goods and Services (both Consultancy and non-Consultancy) are contained in Chapter 6 of the GFR 2017.
- Procurement of Works are contained in the Chapter 5 of the GFR 2017.
- Contract Management are contained in the Chapter 8 of the GFR 2017.

SALIENT FEATURES OF GFR 2017 PROCUREMENT OF GOODS:

- Basic Policy of Public Procurement
- Different methods of procurement
- Leveraging of IT in Public Procurement
- Structure of Bid Documents
- Important bidding conditions
- Negotiation
- Pre-Bid Meeting
- Selection of a bidder for award of contract
- Securities
- Advance Payment

CONTINUED:

- Preferences to KVIC and ACASH
- Preferences to MSE
- Preferences to “Local Suppliers” under the ‘Make-in- India’ initiative
- Procurement Planning
- Registration of Vendors
- Debarment
- Code of Integrity
- Maintenance Contracts

Thank you!