Government e-Market Place



Bid Management on GeM 3.0



Change History

Sr. No.	Document version	Release date	Drafted by
1.	Version 1.0	30 Nov 2017	GeM

This is version 1.0

Metadata of the Standard

S. No.	Data elements	Values
1.	Title	Bid/RA Management on GeM
2.	Present Status	Released
	(Draft/Released/Withdrawn)	
3.	Publisher	GeM
4.	Target Audience	Stakeholders of GeM including buyers, sellers, industry associations, partners etc.
5.	Source	As part of scaled up version of GeM i.e. GeM 3.0, a
	(Reference to the resource from	transition framework has been framed, under which
	which present resource is derived)	GeM, has adopted an inclusive consultation and
		communication strategy, wherein all key To-Be
		modules, features and functionalities of GeM 3.0 would
		be consulted with key GeM stakeholders.
		This document is one of the consultation items
6.	Document Number	GeM/Tranistion 3.0/PR/V1.0

1. Introduction

Bidding including Reverse Auction on GeM is linked and closely coupled with the Catalogue Management System (<u>https://gem.gov.in/forum/transition-strategy-on-product-and-service-listing-in-gem-3/1</u>) that populates Market place. The catalogue designed principle on generic standardization of specifications is the core of Bid Formulation on GeM.

Learning on GeM 2.0 suggest to the significant need for this generic specifications. Once standardized it would obviate the frequent need and demand of the buyers (even within a single agency) to, as a matter of habit, tweak minor specifications. While such tweaking may seem innocuous, but such frequent tweaking, at the buyer end has led to unnecessary complaints and allegations against buyers. The Bid process on GeM 3.0 thus factors in the need for a standardized but robust catalogue thereby doing away with unnecessary/insignificant tweaking of specifications. This would enable very convenient Bid Management process for both buyer as well as seller(or provider) wherein most of the processes including bid creation and bid technical evaluation are completely automated, thus objective.

2. Major enhancement on the bid management approach in GeM 3.0

On Lengthy Bidding Process

This issue is addressed by bringing in following value-added features, re-defining the procurement process:

- Automated pre-qualification checks during sellers' participation
- Advanced Secure Bid Process involving client-side asymmetric encryption, PKI and hashing module.
- Standardized norms and features for all types of procurement
- Well defined and automated evaluation methods like Cost Based Selection, Quality cum Cost Based Selection, automatic comparison etc.

Data Security and Non-Repudiation

- Implementation of comprehensive PKI system
- Advanced Secure Bid Process involving client-side asymmetric encryption of all confidential data
- Tamper evident system through hashing module
- eSign enabled for both buyers and sellers to establish non-repudiation
- STQC certified system

Data Analytics/Business Intelligence

- Completely data centric system allowing data mining.
- Implementation of dynamic BI tools for proper trend analysis and various other data mining activities.

Report and MIS

- Completely data centric system allowing to do data mining.
- Implementation of dynamic BI tools for proper trend analysis and various other data mining activities.

Audit Trail

- Comprehensive Audit Trail module capturing every moment details in the system.
- Capturing of IP, Users, Date/Time, Event Description, Procuring Entity Name, Browser, OS, Digital Certificate used, Stage/Task of the workflow, Template Name, Entity name etc. All these minute level capturing of details help in setting up the accountability and tracing back the sequence of events.

Preventive Measure in Bid Submission, Amendment, Opening/Evaluation

- Advanced Secure Bid Process involving client-side asymmetric encryption of all confidential data
- Maintaining complete secrecy of bid participation and bid data till opening thus avoiding any chances of collusion.
- Tamper evident system through hashing module
- eSign enabled for both buyers and sellers to establish non-repudiation
- Dynamic Amendment module sending notifications to all stakeholders and mandatorily asking sellers to acknowledge the amendment.
- Automated Evaluation methods like QCBS, Cost Based Selection, L1 Buy, Automatic Comparison reducing manual intervention and automating the selection process.
- Comprehensive Audit Trail module capturing every moment details in the system.

Dealing with EMD and PBG

- Integration of online Payment Gateway
- Integration with PFMS
- Integration with banks for eBG for submission of EMD

- Online Refund of EMD for unsuccessful Sellers.
- Easy reconciliation process with the availability of sophisticated MIS, reports and BI
- e Sign enabled for both buyers and sellers to establish non-repudiation

3. Detailed Phasing proposed in GeM 3.0

3.1.1. User Roles and Privileges to be associated in Bidding/RA flow

The following roles and privileges are required to be mapped with users for executing their relevant tasks in BID and RA module:

GeM User	User Type	Roles
Procurement Officer	Buyer	Bid creation, Bid publishing, Bid Opening &
		Evaluation, Bid amendment, Bid Cancellation
HoD	Buyer	Authorizer, Key Manager for secure key-pairs
GeM Admin	Buyer	Admin user for Buyer and Seller Management
Seller	Seller	Submit offer response, response to consultations, offer
		withdrawal, offer rework etc.

3.1.2. Bid Origination

BID and RA modules of GeM 3.0 will be completely CMS based market linked, standardized and automated. The buying process through Bid or RA module will be initiated by Buyers after finalizing the product (s) to be procured on the marketplace. Depending on the business rules set for different buying flows either Bid or RA module workflow will be invoked.

3.1.3. Workflow for Bid and RA

GeM 3.0 will have functionalities for Goods, Services and Project (Products with Services) Buying processes using either Cost Based or Quality and Cost Based (QCBS) methodologies. Workflows will be front ended configurable with engine-based framework. Dynamic user role management for complex government organization hierarchy by assigning users with different posts, granular rights, roles and privileges based on their roles and responsibility can be done through front end module.

Following workflows will be enabled for handling the above-mentioned process:

- Two Stage Bidding (Technical bid evaluation followed by Commercial bid opening of only qualified bidders)
- Bid Plus RA (Technical bid evaluation followed by Commercial bid opening followed by RA amongst Lowest 'N' no. of Sellers)
- Two stage RA (Technical bid evaluation followed by RA amongst all technically qualified bidders).

3.1.4. Automated determination of Sellers eligibility to participate in Bid/RA process

Following parameters will be implemented at the discretion of buyers to auto-verify Seller eligibility for participation on the Buying process using Bid or RA modules:

- Should be registered on the Product Category for which the Bid has been called for.
- Registration activation flag for deactivation, debarment, de-listing to be checked.
- Specified experience on the product category –if specified on the Marketplace by Buyer during Product search.
- Minimum Annual turnover of Seller (in Cr.), Average of last three financial years
- Sellers profitability (Seller must have been in profit making for each of the last three financial year)
- Vendor Assessment verified.
- Vendor Ratings if specified on the Marketplace by Buyer during Product search.

3.1.5. Bid Activity Schedule

GeM 3.0 will have configurable bid activity timeline functionality for different steps of the bid life-cycle. Government annual holiday master will be linked with the activity timeline so that the bid life-cycle is handled within the working days only to the extent possible. There will be provision for amendment of the timelines by the buyer after publishing of Bids. Configurable parameters will be available:

- Bid Close Date (7 days by default)
- Bid Opening Date
- Technical Evaluation -
- Commercial Evaluation and closing
- Order Placement time

The above bid processes have to be completed with minimum timelines, which will have a telling effect on good buyer behavior, but in any case, within a maximum period of 90 days

all processes have to be completed. The extension beyond 90 days will be only under exceptional circumstances.

3.1.6. Bid Response by Sellers

The process of Sellers submitting their bid responses will be CMS based market linked. As part of the Technical offer submission, Seller can access their products on the marketplace directly from the bid form and fetch product specifications into their offer. Marketplace will auto-verify product specifications based on the Buyers requirement and load only those products from the Sellers catalogue which meets the minimum acceptance range. This will be a kind of pre-technical evaluation at the time of Sellers submitting their offer, thus this automatically eliminates the risks of Sellers offering inferior products.

GeM 3.0 will allow Sellers re-submission on their offers till the end time of the Offer submission activity. Similarly, withdrawal of offerswill be allowed till the end time of the offer submission activity.

The functionality for online pre-bid consultation will be available on GeM 3.0 on a need basis where Sellers can submit their suggestion during a pre-defined timeframe and based on the suggestions/feedback received from Sellers, bid document can be amended appropriately by Buyers.

3.1.7. Bid opening and evaluation

Online opening of bids will be a completely audited process which will be configured as per the secure bid mechanism. Bid integrity checking during opening will be done.

Bid evaluation will be done in two stages namely Technical evaluation and Commercial Evaluation. Cost Based and Quality and Cost Based evaluation methodologies will be implemented for evaluating the offers.

A comprehensive comparison report will be generated in both the stages which can be imported to PDF and MS EXCEL format.

Automatic comparison of Bid specification and the specifications offered by Sellers will be enabled for Technical evaluation. Based on the automatic comparison, Sellers who offers products beyond the acceptance range will be auto-rejected. There will be provision on the system to show the reason of rejection to the Seller. Over-riding the system driven evaluation results will be implemented by the buyers with provision for recording justification for doing so. Commercial evaluation will be based on the applied evaluation methodology. System will auto-calculate the lowest bidder (L1). Splitting of orders amongst different bidders will be enabled. This can be on the basis of a pre-determined ration (eg. 50:30:20).

3.1.8. Digilocker and My briefcase

- Integration with Digilocker
- My Briefcase functionality to be used for various modules of GeM 3.0.

3.1.9. e-Sign and HSM

- e-Sign will be used for signing and non-repudiation of the Bids.
- For encryption, HSM will be used.

3.2.0. Bid/RA Cancellation/extension by Buyer

- Provision for cancellation of Bids (after its publishing) shall be available.
- Buyer has to mandatorily enter remarks/justification for cancellation of the Bid.
- Cancellation activity will be audit trailed.
- Extension upto bid validity period limitation.

3.2.1. Bid/RA Archival

- Archiving of complete bid/RA data as well as audit trails of fully processed and cancelled Bid on to an offline digital media can to be carried out based on the pre-agreed policies.
- The archived data can be retrieved at any point in time for reference.

3.5. Reverse Auction

When the estimated cost of the procurement is above Rs. 50,000 then Buyers may choose to go for L1 compare & buy or Bid/RA process, GeM recommendation being bid in all cases above Rs.50,000. However if the estimated cost of procurement is more than Rs. 30,000,00 then it has to mandatorily go for either Bid or Bid followed by RA process to complete the procurement.

Only after a bidding process, RA shall be done. There shall be two options.

- a) Single bid, (technical bid) is invited first, only technically qualified bidders will be allowed to offer their price in RA.
- b) Dual bid, where both technical and commercial bids are invited and only technically qualified sellers will be allowed to participate in the RA, the base price being L1 as per the commercial bid of technically qualified sellers.

RA will be designed and conducted by the Buyer(s) for which they will stipulate requirements such as Quantity, Delivery period, Performance Bank Guarantee, Time/date and duration of RA (giving at least 7 days from the date of publication of RA notice on GeM site), Step value for decrement during RA period and validity period for the bids given on RA. The RA will be conducted at GeM on scheduled date and time by the Buyer.

The detailed process flows for the RA process are:

- RA creation and floating
- Sellers participating on RA
- RA Closing
- Forwarding L1 Seller details for Order Fulfillment