

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4540

ANSWERED ON:21.02.2014

PUBLIC PROCUREMENT SYSTEM

Dhotre Shri Sanjay Shamrao;Mahtab Shri Bhartruhari

Will the Minister of FINANCE be pleased to state:

(a) whether the United Nations Office on Drugs and Crime has made reservations on India's public procurement system and if so, the details thereof along with the reaction of the Government thereto;

(b) whether the Government has received complaints regarding irregularities in the public procurement system of various Government bodies and if so, the details thereof and the action taken thereon for each of the last three years and the current year; and

(c) the steps taken/being taken by the Government to bring transparency in the public procurement, promotion of competition and to ensure fair and equitable treatment to suppliers?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI NAMO NARAIN MEENA)

(a): United Nations office on Drugs and Crime (UNODC) has published a report 'India Probity in Public Procurement' covering compliance of Indian laws and practices with the United Nations Conventions Against Corruption (UNCAC) highlighting current practices, as also aspects required to strengthen compliance with UNCAC.

(b)&(c): The procurement function in Central Government stands decentralized in that in terms of Rule 137 of General Financial Rules (GFRs), 2005, every authority delegated with the financial powers of procuring goods in public interest shall have the responsibility and accountability to bring efficiency, economy, transparency in matter relating to public procurement and for fair and equitable treatment of suppliers and promotion of competition in public procurement. In terms of Rule 21 of the Delegation of Financial Powers Rules, 1978, Ministries / Departments have been delegated full powers to sanction expenditure for purchases. The procurement made by the Government is also subject to audit by the Comptroller & Auditor General of India and the procuring entities are required to follow the guidelines issued by the Central Vigilance Commission in this regard, from time to time.

With a view to creating a statutory framework for public procurement which will provide greater transparency, accountability and enforceability of the regulatory framework, the Public Procurement Bill, 2012 was introduced in the Lok Sabha on 14th May, 2012. The Bill at present is under examination by the Parliamentary Standing Committee on Finance.

Further, a Central Public Procurement Portal (CPP Portal) has been set up for providing comprehensive information and data relating to public procurement and is accessible at www.eprocure.gov.in. It is being used at present by various Ministries / Departments, CPSEs and autonomous/statutory bodies, e-publishing of tender enquiries, corrigenda thereto and details of contracts awarded thereon, on the Portal, has been made mandatory in a phased manner w.e.f. 1st January, 2012. It has also been decided to implement e-Procurement in Ministries/Departments of the Central Government and instructions have also been issued to all Ministries/Departments to commence e- procurement in respect of all procurements with estimated value of Rs.10 lakh or more in a phased manner. Use of e-procurement would enhance transparency and accountability and make procurement more efficient