

No.F.1/3/2024-PPD
Government of India
Ministry of Finance
Department of Expenditure
Procurement Policy Division

502, Lok Nayak Bhavan,
Khan Market, New Delhi,
10.07.2024

OFFICE MEMORANDUM

Subject: - Amendment in General Financial Rules, 2017.

It has been decided with the approval of Finance Minister to make following amendments in the General Financial Rules, 2017:

S. No.	Existing Rule	Amended Rule
1.	Rule133(1) A Ministry or Department at its discretion may directly execute repair works estimated to cost up to Rupees Thirty Lakhs after following due procedure indicated in Rule139,159 & 160.	Rule133(1) A Ministry or Department at its discretion may directly execute repair works estimated to cost up to Rupees Sixty Lakhs after following due procedure indicated in Rule 139, 159 & 160.
2.	Rule 133 (2) A Ministry or Department may, at its discretion, assign repair works estimated to cost above Rupees thirty Lakhs and original/ minor works of any value to any Public Works Organisation (PWO) such as Central Public Works Department (CPWD), State Public Works Department, others Central Government organisations authorised to carry out civil or electrical works such as Military Engineering Service (MES), Border Roads Organisation (BRO), etc. or Ministry/ Department's construction wings of Ministries of Railways, Defence, Environment & Forests, Information & Broadcasting and Departments of Posts, and Space etc.	Rule 133 (2) A Ministry or Department may, at its discretion, assign repair works estimated to cost above Rupees Sixty Lakhs and original/ minor works of any value to any Public Works Organisation (PWO) such as Central Public Works Department (CPWD), State Public Works Department, others Central Government organisations authorised to carry out civil or electrical works such as Military Engineering Service (MES), Border Roads Organisation (BRO), etc. or Ministry/ Department's construction wings of Ministries of Railways, Defence, Environment & Forests, Information & Broadcasting and Departments of Posts, and Space

S. No.	Existing Rule	Amended Rule
3.	Rule 133 (3) As an alternative to 133(2), a Ministry or Department may award repair works estimated to cost above Rupees thirty Lakhs and original works of any value to: (i) any Public Sector Undertaking set up by the Central or State Government to carry out civil or electrical works or (ii) to any other Central/ State Government organisation/ PSU which may be notified by the Ministry of Housing and Urban Affairs (MoHUA) for such purpose after evaluating their financial strength and technical competence. For the award of work under this sub-rule, the Ministry/ Department shall ensure competition among such PSUs/ Organisations. This competition shall be essentially on the lump sum service charges to be claimed for execution of work. In exceptional cases, for award of work under (i) and (ii) above, on nomination basis, the conditions contained in Rule 194 would apply. The work under these circumstances shall also be awarded only on the basis of lump sum service charge.	etc. Rule 133 (3) As an alternative to 133(2), a Ministry or Department may award repair works estimated to cost above Rupees Sixty Lakhs and original works of any value to: (i) any Public Sector Undertaking set up by the Central or State Government to carry out civil or electrical works or (ii) to any other Central/ State Government organisation/ PSU which may be notified by the Ministry of Housing and Urban Affairs (MoHUA) for such purpose after evaluating their financial strength and technical competence. For the award of work under this sub-rule, the Ministry/ Department shall ensure competition among such PSUs/ Organisations. This competition shall be essentially on the lump sum service charges to be claimed for execution of work. In exceptional cases, for award of work under (i) and (ii) above, on nomination basis, the conditions contained in Rule 194 would apply. The work under these circumstances shall also be awarded only on the basis of lump sum service charge
4.	Rule 139: Procedure for Execution of Works. The broad procedure to be followed by a Ministry or Department for execution of works under its own arrangements shall be as under: -	Rule 139: Procedure for Execution of Works. The broad procedure to be followed by a Ministry or Department for execution of works under its own arrangements shall be as under: -



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	(iv) Open tenders will be called for works costing Rs. Five lakh to Rs.Thirty lakh; (v) limited tenders will be called for works costing less than Rupees five lakhs	(iv) Open tenders will be called for works costing Rs. Ten lakh to Rs. Sixty lakh; (v) Limited tenders will be called for works costing less than Rupees Ten lakhs
5.	Rule 149: Government e-Marketplace (GeM). Government of India has established the Government e-Marketplace (GeM) for common use Goods and Services. GeM SPV will ensure adequate publicity including periodic advertisement of the items to be procured through GeM for the prospective suppliers. The Procurement of Goods and Services by Ministries or Departments will be mandatory for Goods or Services available on GeM. The credentials of suppliers on GeM shall be certified by GeM SPV. The procuring authorities will certify the reasonability of rates. The GeM portal shall be utilized by the Government buyers for direct on-line purchases as under: (i) Up to Rs.25,000/- through any of the available suppliers on the GeM, meeting the requisite quality, specification and delivery period. <i>Note: In case of automobiles, procurement under this sub-rule is permitted without any ceiling limit.</i> (ii) Above Rs.25,000/- and up to Rs.5,00,000/- through the GeM	Rule 149: Government e-Marketplace (GeM). Government of India has established the Government e-Marketplace (GeM) for common use Goods and Services. GeM SPV will ensure adequate publicity including periodic advertisement of the items to be procured through GeM for the prospective suppliers. The Procurement of Goods and Services by Ministries or Departments will be mandatory for Goods or Services available on GeM. The credentials of suppliers on GeM shall be certified by GeM SPV. The procuring authorities will certify the reasonability of rates. The GeM portal shall be utilized by the Government buyers for direct on-line purchases as under: (i) Up to Rs.50,000/- through any of the available suppliers on the GeM, meeting the requisite quality, specification and delivery period. <i>Note: In case of automobiles, procurement under this sub-rule is permitted without any ceiling limit.</i> (ii) Above Rs.50,000/- and up to Rs.10,00,000/- through the

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	Seller having lowest price amongst the available sellers, of at least three different manufacturers, on GeM, meeting the requisite quality, specification and delivery period. The tools for online bidding and online reverse auction available on GeM can be used by the Buyer even for procurements less than Rs. 5,00,000. (iii) Above Rs.5,00,000/- through the supplier having lowest price meeting the requisite quality, specification and delivery period after mandatorily obtaining bids, using online bidding or reverse auction tool provided on GeM.	GeM Seller having lowest price amongst the available sellers, of at least three different manufacturers, on GeM, meeting the requisite quality, specification and delivery period. The tools for online bidding and online reverse auction available on GeM can be used by the Buyer even for procurements less than Rs. 10,00,000/-. (iii) Above Rs. 10,00,000/- through the supplier having lowest price meeting the requisite quality, specification and delivery period after mandatorily obtaining bids, using online bidding or reverse auction tool provided on GeM.
6.	Rule 154 : Purchase of goods without quotation Purchase of goods upto the value of Rs. 25,000 (Rupees twenty five thousand) only only on each occasion may be made without inviting quotations or bids on the basis of a certificate to be recorded by the competent authority in the following format. "I, am personally satisfied that these goods purchased are of the requisite quality and specification and have been purchased from a reliable supplier at a reasonable price."	Rule 154 : Purchase of goods without quotation Purchase of goods upto the value of Rs. 50,000/- (Rupees fifty thousand) only on each occasion may be made without inviting quotations or bids on the basis of a certificate to be recorded by the competent authority in the following format. "I, am personally satisfied that these goods purchased are of the requisite quality and specification and have been purchased from a reliable supplier at a reasonable price."
7.	Rule 155: Purchase of goods by Purchase Committee. [In case a certain item is not available on the GeM portal,] Purchase of goods costing above [Rs.25,000	Rule 155 : Purchase of goods by Purchase Committee. [In case a certain item is not available on the GeM portal,] Purchase of goods costing above



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	(Rupees twenty five thousand only) and upto Rs.2,50,000/- (Rupees two lakh and fifty thousand only)] on each occasion may be made on the recommendations of a duly constituted Local Purchase Committee consisting of three members of an appropriate level as decided by the Head of the Department. The committee will survey the market to ascertain the reasonableness of rate, quality and specifications and identify the appropriate supplier. Before recommending placement of the purchase order, the members of the committee will jointly record a certificate as under: "Certified that we, members of the purchase committee are jointly and individually satisfied that the goods recommended for purchase are of the requisite specification and quality, priced at the prevailing market rate and the supplier recommended is reliable and competent to supply the goods in question, and it is not debarred by Department of Expenditure or Ministry/ Department concerned."	[Rs.50,000/- (Rupees Fifty thousand only) and upto Rs. 5,00,000/- (Rupees Five lakh only)] on each occasion may be made on the recommendations of a duly constituted Local Purchase Committee consisting of three members of an appropriate level as decided by the Head of the Department. The committee will survey the market to ascertain the reasonableness of rate, quality and specifications and identify the appropriate supplier. Before recommending placement of the purchase order, the members of the committee will jointly record a certificate as under: "Certified that we, members of the purchase committee are jointly and individually satisfied that the goods recommended for purchase are of the requisite specification and quality, priced at the prevailing market rate and the supplier recommended is reliable and competent to supply the goods in question, and it is not debarred by Department of Expenditure or Ministry/ Department concerned."
8.	Rule 161 : Advertised Tender Enquiry (i) Subject to exceptions incorporated under Rule 154, 155, 162 and 166, invitation to tenders by advertisement should be used for procurement of goods of estimated value of Rs. 25 lakhs (Rupees Twenty Five Lakh) and above. Advertisement in such cases should be given on <i>Central Public Procurement Portal (CPPP)</i> at	Rule 161 : Advertised Tender Enquiry (i) Subject to exceptions incorporated under Rule 154, 155, 162 and 166, invitation to tenders by advertisement should be used for procurement of goods of estimated value of Rs. 50 lakhs (Rupees Fifty Lakh) and above. Advertisement in such cases should be given on GeM as well as on GeM- Central



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	<i>www.eprocure.gov.in</i> and on GeM. An organisation having its own website should also publish all its advertised tender enquiries on the website.	Public Procurement Portal (CPPP). An organisation having its own website should also publish all its advertised tender enquiries on the website.
9.	Rule 162 : Limited Tender Enquiry (i) This method may be adopted when estimated value of the goods to be procured is up to Rupees Twenty five Lakhs. Copies of the bidding document should be sent directly by speed post/ registered post/ courier/ email to firms which are borne on the list of registered suppliers for the goods in question as referred under Rule 150 above. The number of supplier firms in Limited Tender Enquiry should be more than three. Efforts should be made to identify a higher number of approved suppliers to obtain more responsive bids on competitive basis. Further, an organisation should publish its limited tender enquiries on <i>Central Public Procurement Portal (CPPP)</i> as per Rule 159. Apart from CPPP, the organisations should publish the tender enquiries on the Department's or Ministry's website. (iii) Purchase through Limited Tender Enquiry may be adopted even where the estimated value of the procurement is more than Rupees twenty-five Lakhs, in the following circumstances.	Rule 162 Limited Tender Enquiry (LTE) (i) This method may be adopted when estimated value of the goods to be procured is up to Rupees Fifty Lakhs. Copies of the bidding document should be sent directly by speed post/ registered post/ courier/ email to firms which are borne on the list of registered suppliers for the goods in question as referred under Rule 150 above. The number of supplier firms in Limited Tender Enquiry should be more than three. Efforts should be made to identify a higher number of approved suppliers to obtain more responsive bids on competitive basis. Further, an organisation should publish its limited tender enquiries on GeM as well as on GeM- CPPP. Apart from GeM, the organisations should publish the tender enquiries on the Department's or Ministry's web site. (iii) Purchase through Limited Tender Enquiry may be adopted even where the estimated value of the procurement is more than Rupees Fifty Lakhs, in the following circumstances.

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	(a) The competent authority in the Ministry or Department certifies that the demand is urgent and any additional expenditure involved by not procuring through advertised tender enquiry is justified in view of urgency. The Ministry or Departments should also put on record the nature of the urgency and reasons why the procurement could not be anticipated. (b) There are sufficient reasons, to be recorded in writing by the competent authority, indicating that it will not be in public interest to procure the goods through advertised tender enquiry. (c) The sources of supply are definitely known and possibility of fresh source(s) beyond those being tapped is remote.	(a) The competent authority in the Ministry or Department certifies that the demand is urgent and any additional expenditure involved by not procuring through advertised tender enquiry is justified in view of urgency. The Ministry or Department should also put on record the nature of the urgency and reasons why the procurement could not be anticipated. (b) There are sufficient reasons, to be recorded in writing by the competent authority, indicating that it will not be in public interest to procure the goods through advertised tender enquiry. (c) The sources of supply are definitely known and possibility of fresh source(s) beyond those being tapped is remote.
10.	Rule 173 : Transparency, competition, fairness and elimination of arbitrariness in the procurement process (xxii) In case a purchase Committee is constituted to purchase or recommend the procurement, no member of the purchase Committee should be reporting directly to any other member of such Committee in case estimated value of procurement exceeds Rs. 25 lakhs.	Rule 173 : Transparency, competition, fairness and elimination of arbitrariness in the procurement process (xxii) In case a purchase Committee is constituted to purchase or recommend the procurement, no member of the purchase Committee should be reporting directly to any other member of such Committee in case estimated value of procurement exceeds Rs. 50 lakhs.



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11.	Rule 183 Identification of likely sources. (i) Where the estimated cost of the consulting service is up to [Rupees twenty-five lakhs], preparation of a long list of potential consultants may be done on the basis of formal or informal enquiries from other Ministries or Departments or Organisations involved in similar activities, Chambers of Commerce & Industry, Association of consultancy firms etc. (ii) Where the estimated cost of the consulting services is above Rupees twenty-five lakhs, in addition to (i) above, an enquiry for seeking 'Expression of Interest' from consultants should be published on <i>Central Public Procurement Portal (CPPP)</i> at <i>www.eprocure.gov.in</i> and on GeM. An organisation having its own website should also publish all its advertised tender enquiries on the website. Enquiry for seeking Expression of Interest should include in brief, the broad scope of work or service, inputs to be provided by the Ministry or Department, eligibility and the pre-qualification criteria to be met by the consultant(s) and consultant's past experience in similar work or service. The consultants may also be asked to send their comments on the objectives and scope of the work or service projected in the enquiry. Adequate time should	Rule 183 Identification of likely sources. (i) Where the estimated cost of the consulting service is up to [Rupees Fifty lakhs], preparation of a long list of potential consultants may be done on the basis of formal or informal enquiries from other Ministries or Departments or Organisations involved in similar activities, Chambers of Commerce & Industry, Association of consultancy firms etc. (ii) Where the estimated cost of the consulting services is above Rupees Fifty lakhs, in addition to (i) above, an enquiry for seeking 'Expression of Interest' from consultants should be published on GeM as well as on GeM-CPPP. An organisation having its own website should also publish all its advertised tender enquiries on the website. Enquiry for seeking Expression of Interest should include in brief, the broad scope of work or service, inputs to be provided by the Ministry or Department, eligibility and the pre-qualification criteria to be met by the consultant(s) and consultant's past experience in similar work or service. The consultants may also be asked to send their comments on the objectives and scope of the work or service projected in the enquiry. Adequate time should be allowed for getting

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	be allowed for getting responses from interested consultants.	responses from interested consultants.
12.	Rule 201: Invitation of Bids. (i) For estimated value of the non-consulting service up to Rupees ten lakhs or less: The Ministry or Department should scrutinise the preliminary list of likely contractors as identified as per Rule 199 above, decide the prima facie Eligible and capable contractors and issue limited tender enquiry to them asking for their offers by a specified date and time etc. as per standard practice. The number of the contractors so identified for issuing limited tender enquiry should be more than three. (ii) For estimated value of the non-consulting service above Rs.10 lakhs: The Ministry or Department should issue advertisement in such case should be given on <i>Central Public Procurement Portal (CPPP) at www.eprocure.gov.in</i> and on GeM. An organization having its own website should also publish all its advertised tender enquiries on the website. The advertisements for invitation of tenders should give the complete web address from where the bidding documents can be downloaded.	Rule 201: Invitation of Bids. (i) For estimated value of the non-consulting service up to Rupees Fifty lakhs or less: The Ministry or Department should scrutinise the preliminary list of likely contractors as identified as per Rule 199 above, decide the prima facie Eligible and capable contractors and issue limited tender enquiry to them asking for their offers by a specified date and time etc. as per standard practice. The number of the contractors so identified for issuing limited tender enquiry should be more than three. (ii) For estimated value of the non-consulting service above Rs. 50 lakhs: The Ministry or Department should issue advertisement in such cases on GeM as well as on GeM-CPPP. An organisation having its own website should also publish all its advertised tender enquiries on the website. The advertisements for invitation of tenders should give the complete web address from where the bidding documents can be downloaded.
13.	Rule 218: Modes of Disposal. (i) Surplus or obsolete or unserviceable goods of assessed residual value above Rupees Two Lakh should be	Rule 218: Modes of Disposal. (i) Surplus or obsolete or unserviceable goods of assessed residual value above Rupees Four Lakh should be

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	disposed of by: (a) obtaining bids through advertised tender or (b) public auction. For surplus or obsolete or unserviceable goods with residual valueless than Rupees Two Lakh, the mode of disposal will be determined by the competent authority, keeping in view the necessity to avoid accumulation of such goods and consequential blockage of space and, also, deterioration in value of goods to be disposed of. Ministries/ Departments should, as far as possible prepare a list of such goods.	disposed of by: (a) obtaining bids through advertised tender or (b) public auction. For surplus or obsolete or unserviceable goods with residual value less than Rupees Four Lakh, the mode of disposal will be determined by the competent authority, keeping in view the necessity to avoid accumulation of such goods and consequential blockage of space and, also, deterioration in value of goods to be disposed of. Ministries/ Departments should, as far as possible prepare a list of such goods.

2. It is clarified that the specific relaxation in the GFRs already provided to Scientific Ministries etc. vide OM No. 20/42/2021-PPD dated 20.05.2024 will continue to be available to them.

3. This OM is also available on website of Department of Expenditure; www.doe.gov.in -> Notification -> Circular -> Procurement Policy OM.


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To,

All the Secretaries and Financial Advisors to Government of India.