

GOVERNMENT OF ASSAM
INDUSTRIES , COMMERCE AND PUBLIC ENTERPRISES DEPARTMENT
DISPUR::: GUWAHATI-6
ORDERS BY THE GOVERNOR

NOTIFICATION

Dated Dispur the 29th of January, 2022.

No. ML.64/2020/57: The Governor of Assam is pleased to notify the “**The Assam Procurement Preference Policy, 2021**”. The Policy will come into effect from 29th January, 2022.

Sd/-

(Dr. K.K. Dwivedi, IAS)
Principal Secretary to the Govt. of Assam,
Industries, Commerce & Public Enterprise Department.

Memo No. ML.64/2020/57-A

Dated Dispur, the 29th January, 2022.

Copy to :

- 1) All Addl. Chief Secretary/Principal Secretary/Commissioner & Secretary/Secretary to the Govt. of Assam.
- 2) The Principal Secretary to the Chief Minister, Assam, Dispur, Guwahati-06.
- 3) The Resident Commissioner to the Govt. of Assam, Assam House, New Delhi.
- 4) The Agricultural Production Commissioner, Assam.
- 5) All Commissioner of Division, Assam..... for information.
- 6) The Commissioner of Taxes, Kar Bhawan, Dispur, Guwahati-6.
- 7) The Joint Director & HoO, Micro, Small & Medium Enterprises Development Institute ,Ministry of MSME, Govt. of India , Maniram Dewan Road, Bamunimaidam, Guwahati-781 021 for information.
- 8) The Under Secretary to the Govt. of Assam, Ministry of Commerce & Industries, Department of Industrial Policy & Promotion, Udyog Bhawan, New Delhi-110011.
- 9) All Principal Secretaries of the Autonomous Councils, Assam.
- 10) The Commissioner, Industries & Commerce, Assam, Bamunimaidam, Guwahati-21 . He is requested to make wide circulation of this notification and to upload in the website.
- 11) All Deputy Commissioners, Assam.
- 12) The S.O. to Chief Secretary to the Govt. of Assam, Dispur , Guwahati-06 for kind appraisal of Chief Secretary .
- 13) The P.S to Hon’ble Minister, Industries & Commerce, Assam for kind appraisal of the Hon’ble Minister.
- 14) All P.S to Minister/ Minister of State , Government of Assam for kind appraisal of Hon’ble Ministers/Ministers of State.
- 15) The P.S to the Principal Secretary to the Govt. of Assam, Industries, Commerce & Public Enterprise Department for kind information.
- 16) The Managing Director, AIDC/AIIDC/ASIDC/ATCL/AGCL/APL for information . He is requested to upload the same in the website.
- 17) The Director, Assam Government Press, Bamunimaidam, Guwahati-21 with a request to publish this Notification in the next issue of the Gazette and to submit 100 copies of the Gazette Notification.
- 18) The Officer-on Special Duty, Political (Cabinet Cell) Department , CM Block , Dispur for kind for kind information. This has reference to his endorsement dated 17.12.2021 in File No. MI.64/2020.
- 19) All General Manager, DICC, for information.
- 20) Smti. Neera Daulagupu, ACS, Secretary, IC& PE Department (Investment Cell) for uploading the same in the Department website.
- 21) Office Copy.

By order etc
29/01/2022
Joint Secretary to the Govt. of Assam,
Industries, Commerce & Public Enterprise Department.

অসম চৰকাৰ



सत्यमेव जयते

GOVERNMENT OF ASSAM

ASSAM PROCUREMENT PREFERENCE POLICY, 2021

**INDUSTRIES, COMMERCE AND PUBLIC ENTERPRISES
DEPARTMENT**

GOVERNMENT OF ASSAM
INDUSTRIES , COMMERCE AND PUBLIC ENTERPRISES DEPARTMENT
DISPUR::: GUWAHATI-6

ORDERS BY THE GOVERNOR

NOTIFICATION

Dated Dispur the 06th of December, 2021

No.MI.64/2020/25.- In supersession of Procurement Preference Policy, Assam, 2015 and Procurement Preference (Amendment) Policy, Assam, 2017, the Governor of Assam is hereby pleased to enunciate the Assam Procurement Preference Policy, 2021. Now, therefore the following policy is issued, namely: -

Whereas, in 2006 a Central Act namely, Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) came into force. Section 11 of the Act advocates for promotion and development of micro and small enterprises. The Procurement Preference Policy, Assam, 2015 as amended in 2017 was formulated as per the provision of Section 11 of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006(No. of 2006).

And, whereas, the formulation of the Procurement Preference Policy is required in order to align the State Policy with the Procurement Preferential Order issued vide No.P-45021/2/2017-PP (BE-III) dated 4th June 2020 by the Ministry of Commerce and Industry Government of India.

Whereas, further to streamline the mechanism for procurement of maximum goods and services by various Government Departments / PSUs of the State Government, from the enterprises of the State without compromising quality, competitiveness and cost effectiveness, the Government intends to procure goods and services produced and provided by Micro and Small Enterprises, by the Government Departments/ State Public Sector undertakings and its aided institutions.

Short title and commencement

1. (1) This Policy may be called the Assam Procurement Preference Policy, 2021.
- (2) It shall come into force on the date of their publication in the Official Gazette.

Objective

2. The objective of the Policy shall be as follows, namely:-
 - (i) to facilitate growth of Small and Micro Enterprises, to provide opportunity to local entrepreneurial talents and to maximize avenues for employment generation,
 - (ii) increased participation by Small and Micro Enterprises in the State Government Stores Purchase Programme,
 - (iii) enhancement of competitiveness amongst the Small and Micro Enterprises,
 - (iv) encourage linkages between Small and Micro Enterprises and Large Enterprises,

- (v) increased share of supplies of Small and Micro Enterprises to State Government Departments and its aided institutions and Public Sector Enterprises,
- (vi) development of Micro And Small Enterprises vendor in rural areas and enhancing participation of Small and Micro Enterprises.

Definition

3. (1) **‘Micro Enterprise’** means such enterprises where the investment in Plant and Machinery or Equipment does not exceed **one crore rupees** and turnover does not exceed **five crore rupees** as defined by Ministry of Micro, Small and Medium Enterprises, Government of India vide Notification S.O. 1702 (E) dated 1st June, 2020 or as altered/issued by the Ministry from time to time;
- (2) **‘Small Enterprise’** means such enterprises where the investment in Plant and Machinery or Equipment does not exceed **ten crore rupees** and turnover does not exceed **fifty crore rupees** as defined by Ministry of Micro, Small and Medium Enterprises, Government of India vide Notification S.O. 1702 (E) dated 1st June, 2020 or as altered/issued by the Ministry from time to time;
- (3) **‘Enterprises’** means an industrial undertaking or a business concern or any other establishment in Micro and Small Enterprise category, by whatever name called, engaged in providing or rendering of any service or services;
- (4) **‘Local content’** means the amount of value added (tendered value less than the imported content) in the State which shall, unless otherwise prescribed by the Nodal Department;

In case of Assam, the imported content means the goods needed for a finished product from outside of State as well as the country. For eg: If the tendered value is INR 100 in which the value of the imported content is INR 20, then the local content would be $(100-20) \% = 80\%$
- (5) **‘L1’** Means the lowest tender or lowest bid or the lowest quotation received in a tender, bidding process or other procurement solicitation as adjudged in the evaluation as per the tender or other procurement solicitation;
- (6) **‘Margin of purchase preference’** means the maximum extent to which the price quoted by a Micro And Small

Enterprise may be above the L1 for the purpose of purchase preference;

- (7) **‘Nodal Department’** means the Department identified pursuant to this Policy in respect of a particular item of goods or services or works;
- (8) **‘Procuring entity’** means an entity referred to in sub-section (2) of section 3 of The Assam Public Procurement Act 2017;
- (9) **‘Local people’** means resident of Assam.

Eligibility for getting Preference under the Policy

- 4.
- (1) The Micro And Small Enterprises shall have its own production facilities /base in the State.
 - (2) The Head Office or Corporate Office of such registered unit/company/enterprises shall be within the territorial jurisdiction of Assam.
 - (3) Any Micro And Small Enterprise who has obtained an Udyam Registration shall be eligible under the Policy.
 - (4) Such units shall be called enterprises registered under Procurement Preference Policy and when such units supply/intend to supply goods or render services to State Government offices Corporations/PSUs etc. they shall be called suppliers.
 - (5) The Micro and Small Enterprise/other enterprise and unit must have engaged 90% local people in employment.
 - (6) Any Micro and Small Enterprise registered in Assam shall have to maintain ‘local content’ of a particular item of goods or services or works as specified in a consolidated notification to be issued by Chief Secretary for different items from time to time. The tender for services and works shall not be divisible amongst the procuring entity.
 - (7) Micro and Small Enterprises have to submit a declaration that it has not been blacklisted by the Central/ State Government or by any other agencies/corporations of the Central/State Government and has no dues pending in any of the offices of Central/ State Government or in any other agencies/corporations of the Central/State Government.
 - (8) Any Startup who has registered in Assam and obtained My Assam Startup ID (MASI) shall be eligible under the Policy.

- (9) The Policy will not be applicable for the procurement under Externally Aided Projects (EAP).
- Special Provisions for Startups** 5. Startups registered in Assam shall be eligible to avail the following benefits
- (a) Issue of tender sets free of cost
 - (a) 50% exemption from payment of Earnest Money
 - (b) 50% waiver in payment of Security Deposit
- Developing Micro and Small Enterprise vendors, enhancing participation of Micro and Small Enterprises including those owned by Scheduled Castes or Schedule Tribes and Women** 6. ASIDC shall also act as a Nodal Agency for promotion and development of Micro & Small Enterprises in the State and take necessary steps to develop appropriate vendors by organizing Vendor Development Programmes, Buyer-Seller Meets for the development of Micro & Small Enterprise in the state.
- Outreach programme shall be conducted by ASIDC to cover more and more Micro and Small Enterprises owned by persons belonging to Schedule Caste, Schedule Tribe and women.
- For the purpose of the same State Government shall make a separate budget provision for ASIDC to carry out the works.
- Mandatory Procurement from Small and Micro Enterprises** 7. (1) Every Department of the State Government or its Agencies or aided Institutions shall set an annual goal of procurement for Micro and Small Enterprises, with the objective of trying to achieve overall procurement of minimum 25 percent of total annual purchases of products and services rendered by Small and Micro Enterprises in a period of three years
- (2) In case there are no supplier in the Micro and Small Enterprise Sector of the state who have the capacity to supply required items, department/organization is free to procure from open market through stipulated processes.
- Verification of Local Content** 8. (1) Nodal Departments may constitute committees with internal and external experts for independent verification of self-declarations and auditor's/ accountant's certificate on random basis and in the case of complaints, if any.
- (2) False declarations by suppliers regarding local content will attract debarment for 5 years and other actions as may be permissible under law.
- (3) A supplier who has been debarred by any procuring entity for violation of this Policy shall not be eligible for preference under this Policy for procurement by any other

procuring entity for the duration of the debarment. The debarment for such other procuring entities shall take effect prospectively from the date on which it comes to the notice of other procurement entities.

- (5) The Department shall issue suitable instruction for effective and smooth operation of this process so that:

The fact and duration of debarment for violation of this Policy by any procuring entity are promptly brought to the notice of the Review Committee.

Purchase Preference

9. (1) Subject to the provisions of this Policy and to any specific instructions issued by the Nodal Department or in pursuance of this, purchase preference shall be given to local Micro And Small Enterprise/Startup .
- (2) The Micro and Small Enterprise or Start-up who will quote the price closest to L1 who is not a Micro and Small Enterprise or Start-up will be given the price preference and supply order of 25% of total quantity of the items proposed to be procured.
- (3) If more than one Micro and Small Enterprises or Start-ups quote the same price over the price of L1 and L1 is not the Micro and Small Enterprise or Start-up, in that case the 25% of total quantity of the items proposed for procurement will be equally divided among them.
- (4) If the closest quoted rate is more than 20% of the L1 price in that case such Micro and Small Enterprise or Start-up will be offered only 20% of Price Preference provided such unit is willing to supply the 25% of total quantity of the items proposed for procurement.

Exemption of small purchases

10. In procurements, where the estimated value to be procured is less than Rs. 5 lakhs, such procurement shall be exempted from this Policy. However, it shall be ensured by procuring entities that procurement is not split for the purpose of avoiding the provisions of this Policy.

Requirement for specification in advance

11. The margin of purchase preference and the procedure for preference to make in the State shall be specified in the notice inviting tenders or other form of procurement solicitation and shall not be varied during a particular procurement transaction.

- Government marketplace:** E- 12. In respect of procurement through the Government E-marketplace (GeM) shall, as far as possible, specifically mark the items which meet the minimum local content while registering the item for display, and shall, wherever feasible, make provision for automated comparison with purchase preference and without purchase preference and for obtaining consent of the local supplier in those cases where purchase preference is to be exercised.
- Action for non-compliance of the Provisions of the Policy** 13. In case restrictive or discriminatory conditions against domestic suppliers are included in bid documents, an inquiry shall be conducted by the Administrative Department undertaking the procurement (including procurement by any entity under its administrative control) to fix responsibility for the same. Thereafter, appropriate action, administrative or otherwise, shall be taken against erring officials or procurement entities under relevant provisions. Intimation on all such actions shall be sent to the Review Committee.
- Quality** 14. Quality of the items shall be as in accordance with specification notified by the PSU/Government Agencies undertaking the procurement.
- Annual Plan for Procurement from Small and Micro Enterprises** 15. Every procuring entity shall prepare a procurement plan along with their Annual Budgetary allocations for a financial year and plan shall be updated as per approved annual budget allocation for the entity. This updated Procurement Plan shall be approved by the concerned administrative department within 15 days of receipt of Budget Communication from the Finance department.
- Assessment of supply base Nodal Department** 16. The Nodal Department shall keep in view the domestic manufacturing / supply base and assess the available capacity and the extent of local competition while identifying items, prescribing minimum local content or the manner of its calculation, for avoiding cost increase from the operation of this Policy
- Powers to grant exemption and to reduce minimum local content** 17. The Administrative Department undertaking the procurement (including procurement by any entity under its administrative control), with the approval of their Minister-in-charge, may by written order for reasons to be recorded in writing.

- (a) reduce the minimum local content below the prescribed level, or

- (b) reduce the margin of purchase preference below 20% or
- (c) exempt any particular item or supplying entities from the operation of this Policy or any part of the Policy.

A copy of every such order shall be provided to the Review Committee

Review Committee: 18.

A Review Committee will be constituted with the following members:

(i)	Chief Secretary, Assam	Chairman
(ii)	Senior Most Secretary to the Government of Assam, Finance Department.	Member
(iii)	Senior Most Secretary to the Government of Assam, Agriculture Department.	Member
(iv)	Senior Most Secretary to the Government of Assam, Public Health Engineering Department.	Member
(v)	Senior Most Secretary to the Government of Assam, Public Works (Roads) Department, Assam	Member
(vi)	Senior Most Secretary to the Government of Assam, Public Works (B&NH) Department, Assam	Member
(vii)	Senior Most Secretary to the Government of Assam, Social Welfare Department.	Member
(viii)	Senior Most Secretary to the Government of Assam, Health and Family Welfare Department.	Member
(ix)	Senior Most Secretary to the Government of Assam, Education Department .	Member
(x)	Senior Most Secretary to the Government of Assam, Irrigation Department , Assam	Member
(xi)	Senior Most Secretary, Industries, Commerce and Public Enterprises Department , Assam	Member Convenor

The Chairman of the Committee may co-opt technical experts as relevant to any issue or class of issues under its consideration.

**Review Committee 19.
and its Functions :**

The Review Committee shall meet as often as necessary, but not less than once in six months. The Committee, -

- (i) shall oversee the implementation of this Policy and issues arising therefrom, and make recommendations
- (ii) shall annually assess and periodically monitor compliance of the provisions of this Policy;
- (iii) may, during the annual review or otherwise, assess issues, if any, where it is felt that the manner of implementation of the Policy results in any restrictive practices. Cartelization or increase in public expenditure and suggest remedial measures;
- (iv) may consider any other issue relating to this Policy which may arise during implementation.