

GOVERNMENT OF ANDHRA PRADESH  
ABSTRACT

GOAP – eProcurement – Guidelines for operating eprocurement fund  
to be administered by APTS limited - Orders – Issued

INFORMATION TECHNOLOGY & COMMUNICATIONS DEPARTMENT  
eProcurement

G.O. Ms.No.23

Date: 03-08-2005  
Read the following:

1. G.O.Ms.No.20 of IT&C dept dated 6-7-2004
2. G.O.Ms.No.4 of IT&C dept dated 17-2-2005
3. Minutes of meeting of Committee of Officers o  
eProcurement fund held on 19/4/2005.
4. G.O.Rt.No: 225 of IT&C department dated 29-10-2003.

\*\*\*\*

ORDER:

GOAP have taken up eProcurement as one of the major eGovernance initiatives. It automates the procurement and purchase procedures of AP Govt. starting from demand aggregation to procurement and fulfillment of contract. Andhra Pradesh is the first state in the country to initiate e-Procurement. The basic objective of this project is to use the tools of IT to introduce best practices in electronic procurement across Govt. departments. The pilot project covering 5 departments namely – APTS, Irrigation, R&B, APSRTC & APMHIDC was launched on 29<sup>th</sup> January 2003. The eprocurement project in the initial and extended pilot phase has brought in significant transparency in procurement process, demonstrated benefits to the Government by way of substantial savings due to competitive bids by maintaining anonymity of bidders, decrease in tender cycle time besides empowering the contractors to submit tenders remotely.

- 2) In view of the successful implementation of pilot phase and benefits resulted from eProcurement, the Government have issued orders vide G.O.Ms.No: 20, IT&C dept, dated 6-7-2004 directing all the Departments/PSUs/Local bodies to procure all works with an estimated cost value of Rs. 10.00 lakhs and above, goods & services with an estimated cost value of Rs. 5.00 lakhs and above through eProcurement only. Presently 7 Government departments, 9 Public sector units, 5 Municipal Corporations and 23 Municipalities are using the eProcurement platform.
- 3) Vide G.O 2<sup>nd</sup> read above, Government issued orders to create eProcurement fund to sustain eProcurement initiatives undertaken by

the Government by charging successful bidders on eProcurement platform and the fund will be managed by APTS under the control of IT&C department. The guide lines for the fund will be decided by a committee comprising Secretary TR&B, Secretary (Proj) I&CAD, Secretary PR, MD APTS, representative of Secretary Finance(R&E) and Secretary IT&C as convener.

- 4) Accordingly the Committee of Officers on eProcurement fund met on 19/4/2005 and finalised the guidelines for operating the eProcurement fund vide minutes of meeting 3<sup>rd</sup> read above.
  - 5) The Government after careful examination hereby issues the following orders on eprocurement fund.
    - a) **Guidelines for Appropriation of eProcurement fund:** The accruals to eprocurement fund through the differential transaction fee amount in the financial year 2004-05 and through the charges collected from the successful bidders by various user departments/agencies is proposed to be appropriated on the department /Agency specific requirements to sustain eprocurement initiative at the local level and to supplement the initiatives taken up by IT&C Department to sustain eprocurement at the state level in the following ratio.
      - i. 50% of the eprocurement fund charges received from the Departments/Agencies in a financial year will be spent on the respective Department/Agency specific requirements to sustain IT initiatives within their departments/Agencies.
      - ii. 50% of the total eprocurement fund charges received from all user Departments/Agencies will be retained with the APTS to be spent on initiatives taken up by IT&C department to sustain eprocurement.
    - b. **Items of expenditures eligible under 50% share of eprocurement fund towards Department/Agency specific requirements.**
      - i. Installation and subscription charges for Broadband/Internet connections to the offices.
      - ii. The cost of digital certificates issued by APTS-SubCA to Government users.
      - iii. Purchase, upgrading and maintenance of PC's, Scanners, Printers and UPS in the user departments. The purchases to be made through APTS only.
      - iv. Purchase, upgrading costs for Operating System, Office application softwares required. Transactions must be through APTS.
      - v. Purchase, Development and upgrading costs for software required for automation of pre and post procurement processes. The transactions must be through APTS.
      - vi. Cost of integration of backend (legacy) systems of departments/agencies with eProcurement application.
      - vii. Payment of differential transaction fees to CI India in case of tenders finalised 1.4.2004 with old pricing structure.
      - viii. Any other item with specific approval of the secretary of the department concerned.
- Note:** The contributing Department/Agency have to furnish their indent to APTS for purchase and upgrading of hardware & software listed at iii, iv and v above.

- c. Items of expenditures eligible under 50% share of eprocurement fund to supplement the initiatives taken up by IT&C Department.**
- i. Charges for Security audit of eprocurement platform to be conducted at regular intervals
  - ii. Domain name registration charges for eprocurement portal.
  - iii. Resource personnel charges payable to service provider charges for training facilities viz., accommodation, hardware, connectivity, lunch etc. for conducting trainings on eProcurement
  - iv. Legal charges towards the counsels fee, stamp charges etc to fight all arising court cases and arbitration cases on eprocurement portal in all Courts and Tribunals.
  - v. Charges for Digital Notarization and Time stamping services by third party for eprocurement platform.
  - vi. Buy back of eprocurement software and Hardware from C1 India at written down value at the end of contract period i.e., 31-3-2007 for eprocurement services
  - vii. Development costs of Application Software, purchase of Software and Hardware, Hosting facilities, operation and maintenance required for AP Works application for automation of workflow in engineering departments.
  - viii. Miscellaneous expenditures as detailed below
    - a. Exhibitions, printing of brochures & banners on eprocurement project.
    - b. Advertisement in Newspapers, Magazines, TV and websites related to eprocurement issues.
    - c. Hospitality charges for the delegates coming to the state for study of eProcurement project.
    - d. TA, DA and delegate fee for the sponsored candidates to attend the seminars and conferences on eprocurement and related subjects.
    - e. The total expenditure under the miscellaneous item is limited to a maximum 10% of 50% share of eprocurement fund retained with APTS for supplementing initiatives taken up by IT&C department.
  - ix. Any other item approved by the Steering committee on eprocurement.
- d. Fund management guidelines:**
- i. APTS has to open a separate account for eprocurement fund in a branch of State Bank of Hyderabad in Hyderabad city.
  - ii. All contributions received from the contractors/suppliers through the procurement entities have to be remitted into this account on a weekly basis
  - iii. APTS has to maintain a separate cash book/account for eprocurement fund wherein Department wise account to be separately maintained for all remittances and expenditures
  - iv. APTS to furnish quarterly account sheet with details of contributions, expenditures, balances to all contributing Departments/Agencies to plan their expenditures.
  - v. APTS to furnish audited accounts for eprocurement fund for every financial year to the IT&C department

**e. Payment guidelines:**

- i. For 50% share of eprocurement fund towards Department/Agency specific requirements.
    - a. In case of Govt departments having more than one HOD, the Secretariat department would nominate a HOD of the user department to incur expenditures on the items included under 50% share of eprocurement fund for department specific expenditures to sustain IT initiatives within their departments.
    - b. The HODs of contributing Govt departments, Chief Executive Officer of PSUs, commissioners of Local bodies will send the authenticated and certified bills to APTS towards expenditure incurred on the items identified in para 5(b) above duly limiting the cumulative total of bills forwarded to APTS to their share amount. The HOD has to furnish a specific certificate that the Budget allocations to the department during the financial year are insufficient to meet these expenditures and the bills are not claimed by the department under any other scheme/source.
    - c. Upon receipt of the bills/invoices from HOD of contributing Department/Agency, the APTS has to verify whether the bill claimed is within the guidelines of para 5(b) and arrange payment of bill amount to the vendors/suppliers directly under intimation to the Department/Agency concerned, subject to the availability of funds under their 50% share.
    - d. APTS will process the indents for purchase of software, hardware received from the department/agency based on their eligibility in eprocurement fund. APTS will procure and supply the hardware, software to the department/agencies duly following their regular procurement rules and arrange payments to suppliers from the eprocurement fund.
  - ii. The Secretary to Government, IT&C department would authorize APTS for the payments to be made under 50% share of eprocurement fund to be set apart for taking up long term initiatives by IT&C department.
6. This G.O is applicable to all the departments, public sector units local bodies and organisations using eProcurement platform.
  7. This G.O is issued after obtaining concurrence of Finance Department vide their U.O.NO. 6582/119/A2/Exp.GADII/05 dated 14.7.2005.
  8. A copy of this order is also available on [www.apit.gov.in](http://www.apit.gov.in) and also on [www.aps.gov.in](http://www.aps.gov.in).

**(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)**

**A.P. Sawhney**  
**Secretary to Government**

To  
The Principal Secretary to Government, I&CAD Department  
The Principal Secretary to Government, PR&RD Department  
The Principal Secretary to Government, MA&UD Department  
The Secretary to Government, TR&B Department

The Principal Secretary to Government, Social Welfare Department  
The Principal Secretary to Government, Energy Department  
The Principal Secretary to Government, Agriculture and Co-operation Department  
The Secretary to Government, Animal husbandry, Dairy development and fisheries Dept  
The Principal Secretary to Government, Backward classes welfare Department  
The Principal Secretary to Government, Higher education Department  
The Principal Secretary to Government, Secondary education Department  
The Principal Secretary to Government, Environment, forest, science and technology Dept  
The Principal Secretary to Government, Home Department  
The Principal Secretary to Government, Housing Department  
The Principal Secretary to Government, Industries and Commerce Department  
The Principal Secretary to Government, Labour Employment, training and factories Dept  
The Principal Secretary to Government, Finance Department  
The Secretary to Government, Law Department  
The Principal Secretary to Government, Minorities Welfare Department  
The Principal Secretary to Government, Revenue Department  
The Principal Secretary to Government, Planning Department  
The Principal Secretary to Government, Public Enterprises Department  
The Principal Secretary to Government, Youth advancement, Tourism and Cultural Dept  
The Secretary to Government, Woman development, child and disabled welfare Dept  
Commissioner, Endowments Dept  
Commissioner of Food, Civil supplies and consumer Dept  
The General Administration (GPM&AR) Department  
The General Administration (Services) Department  
M/s. CI India Pvt Ltd., TGV Mansion, Khairatabad, Hyderabad.  
The Managing Director, APTS.  
The Chairman & Managing Director, SCCL,  
The Chairman & Managing Director, APTransco,  
The Managing Director, APSIDC,  
The Managing Director, APSTRTC,  
The Managing Director, APGenco,  
The Managing Director, HMWS&SB,  
The Managing Director, APHMHIDC,  
The Managing Director, APSTC,  
The Managing Director, APSPHC,  
The Managing Director, APIIC,  
The Executive Officer, TTD.

Copy to:  
PS to Secretary, IT&C Dept (KRP)  
Pa to Secretary, IT&C Dept (APS)  
PS to Chief Secretary  
The Accountant General (Audit), A.P., Hyderabad  
The Accountant General (Accounts), A.P., Hyderabad  
SF/Spare

//FORWARDED BY ORDER//

  
SECTION OFFICER