



ANNUAL PROCUREMENT PLAN
for
Micro and Small Enterprises (MSEs)
for the
Financial Year 2019-20
and
Actual Procurement Expenditure
for the
Financial Year 2018-19

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Annual Procurement Plan for the Financial Year 2019-20 and Actual Procurement Expenditure
2018-19

- 1.0 Actual Procurement Expenditure for financial year 2018-19 has been Rs. 7624.95 Cr. and from MSEs Rs. 5.59 Cr.
- 2.0 Based on current and expenditures trends of last year 2018-19 and pace of the project, Total Annual Procurement Plan by DFCCIL for the FY 2019-20 is likely to be Rs.7000 Cr. and Total Procurement from MSEs is likely to be 6.0 Cr.
- 2.0 As per Public Procurement Policy for Micro and Small Enterprises (MSEs) Order, 2012, with amendment (DPE OM No. PP-7(4)/2007-Fin Dated 14/11/2018), it is mandatory to procure minimum 25% of Goods and Services from MSEs in a financial year (including 5% from SC/ST owned MSEs and 3% from Women owned MSEs) following problems are being faced by DFCCIL, in the implementation of this policy.
- (i) The Western Dedicated Freight Corridor (WDFC) is being funded by JICA under the STEP (Special Terms for Economic Partnership) Scheme of the Govt. of Japan. The Procurement procedures for WDFC are being followed as per loan conditions of funding agencies i.e. JICA. As such, mandatory provision of 25% under the Public Procurement Policy for MSEs order 2012 with amendment (DPE OM No. PP-7(4)/2007-Fin Dated 14/11/2018) will not be applicable for procurement carried out/being carried out for WDFC.
- (ii) The Eastern Dedicated Freight Corridor (EDFC) is being funded by the World Bank. The Procurement procedures for EDFC are being followed as per the loan conditions of funding agencies i.e. World Bank. As such, mandatory provision of 25% under the Public Procurement Policy for MSEs order 2012 with amendment (DPE OM No. PP-7(4)/2007-Fin Dated 14/11/2018) will not be applicable for procurement carried out/being carried out for EDFC.
- (iii) For Security and Allied Services being provided through DGR sponsored Agency, the mandatory provision of 25% under the Public Procurement Policy for MSEs order 2012 with amendment (DPE OM No. PP-7(4)/2007-Fin Dated 14/11/2018) will not be applicable. However, provision as per Public Procurement Policy for MSEs Order 2012 with amendment (DPE OM No. PP-7(4)/2007-Fin Dated 14/11/2018) are being made in the tender documents.
- (iv) More than 25% Goods comprising of Sundry items i.e. Stationery, Furniture etc. being procured from the Kendriya Bhandar who are procuring these items from MSE Vendors. As such, this will be treated as compliance of Public Procurement Policy for MSEs order, 2012 with amendment (DPE OM No. PP-7(4)/2007-Fin Dated 14/11/2018).

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(v) In case of Services, it may not be possible to achieve mandatory provision of 25% procurement, since it may not be possible to split services for a single service contract. Therefore, in case of service contract, the provision of MSEs will not be applicable. However, provisions as per Public Procurement Policy for MSEs Order 2012 with amendment (DPE OM No. PP-7(4)/2007-Fin Dated 14/11/2018) are being made in the tender documents.

3.0 Accordingly, DFCCIL submitted the proposal for exemption from mandatory procurement of minimum 20% of Goods and Services from MSEs in a financial year (prior to amendment of public procurement policy vide DPE OM No. PP-7(4)/2007-Fin Dated 14/11/2018) duly approved by Board of Directors and forwarded by Ministry of Railways. Ministry of MSME vide their letter no. F.NO.21(9)2017-MS Pt.-I dated 01/03/2018 has approved the DFCCIL's exemption proposal.

4.0 DFCCIL is making sincere efforts for maximizing the procurement of Goods and Services from MSEs as mandated under the Public Procurement Policy. Some of the efforts taken by DFCCIL are as follows:

- (i) More than 25% of Goods comprising of Sundry items i.e. Stationery, Furniture etc. are being procured from the Kendriya Bhandar (from MSEs) under the Public Procurement Policy for MSEs Order, 2012 with amendment (DPE OM No. PP-7(4)/2007-Fin Dated 14/11/2018).
- (ii) Service contractor for Outsourcing of Secretarial Staff for Corporate Office of DFCCIL, is a MSE firm. Under the Public Procurement Policy for MSEs Order, 2012 with amendment (DPE OM No. PP-7(4)/2007-Fin Dated 14/11/2018).
- (iii) Provisions for participation of MSEs in Services/Goods contracts, as per Public Procurement Policy for MSEs Order 2012 with amendment (DPE OM No. PP-7(4)/2007-Fin Dated 14/11/2018), are being made in the Tender Documents.
- (iv) DFCCIL has successfully registered on TReDS Platform of Ministry of MSME for facilitating the payment of MSEs.

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