

REC TRANSMISSION PROJECTS COMPANY LIMITED

PUBLIC PROCUREMENT POLICY TO MICRO SMALL & MEDIUM ENTERPRISES (MSMEs)

1. GENERAL INFORMATION

The Government of India has enacted the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 on June 16, 2006 which was notified on October 2, 2006. Central Government has notified Public Procurement Policy for Micro and Small Enterprises (MSEs) order, 2012 which has come into force w.e.f 1st April 2012. As per the policy, all Central Government Ministries/ Departments/ CPSUs need to procure a minimum of 20% of total annual purchase from Micro and Small Enterprises. Out of 20% target of annual procurement from MSEs a sub target of 20% (4% out of 20%) is earmarked for procurement from Micro and Small Enterprises owned by Scheduled Caste and Scheduled Tribes entrepreneurs.

2. Micro, Small & Medium Enterprises (MSME) should be registered with any of the following: -

- District Industry Centres, or
- Khadi and Village Industries Commission, or
- Khadi and Village Industries Board, or
- Coir Board, or
- National Small Industries Corporation, or
- Directorate of Handicrafts and Handloom, or
- Any other body specified by Ministry of MSME.

3. Benefits to MSEs

- i. Issue of Tender documents free of cost.
- ii. Exemption from payment of Earnest Money Deposit (EMD).
- iii. Waiver of Security Deposit (SD) upto monetary limit for which the unit is registered.
- iv. **A. For procurement of Goods:** In case the participating MSMEs quoted price within the band of L1+15% by allowing such MSME to supply up to 20% of the tendered value by bringing down their price to L1 price. Out of this 20% minimum 4% shall be purchased from MSMEs owned by SC/ST, the quantity fixed for MSMEs shall be equally distributed among them as under: -
 - (a) In case there is one bidder from MSME owned by General/SC/ST and its rates are within 15% of the L1 price, then entire 20% of the quantity shall be allocated to the said MSME owned by General/SC/ST provided such MSME is agrees to lower its price to L1 price.

- (b) In case there are four bidders from MSMEs and out of these four, one belongs to SC/ST, and their rates are within 15% of the L1 price, then the 20% of the quantity shall be allocated equally to all four MSMEs including the one owned by SC/ST provided all are agreed to lower their price to L1 price
- (c) In case there are nine bidders from MSMEs and out of these nine, one belongs to SC/ST and their rates are within 15% of the L-1 price, then the 4% quantity shall be allocated to MSMEs owned by SC/ST and balance 16% of the quantity shall be allocated equally among other eight MSMEs, provided all are agreed to lower their price to L1 price".

B. For procurement of Services: The above clause (iv) in compliance of para 6 of the MSE order dtd 23rd Nov 2012 of the Ministry of Micro, Small and Medium Enterprises in terms of MSME Act, 2006 will not be applicable to "Service Contracts".

Note: For any further query, Admin Division, RECTPC Ltd may be contacted at 011-4796 4796, 011-4796 4706, Fax No: 011-4796 4700
