

Preferential Procurement Policy Framework

1. Objective

The objective of this policy framework is promotion and development of Micro and Small Enterprises, Local Suppliers, start-ups etc by supporting them through various modalities in procurement in accordance with Government guidelines. However, the policy framework rests upon core principle of competitiveness, adhering to sound procurement practices and execution of supplies in accordance with a system which is fair, equitable, transparent, competitive and cost effective.

The company already has a preferential procurement mechanism in line with Government of India directives/policies. The detailed preferential procurement mechanism can be accessed from standard e-tender documents which are available at - <https://www.rites.com/RitesGCC>

Its coverage and categorisation for its implementation are given below:

2. Purchase Preference Policies of the Government

Unless otherwise stipulated in Tender document, Company grant preferences to the following categories of eligible Bidders under various Government Policies/ Directives:

- 1) Local Suppliers under Public Procurement (Preference to Make in India) Order 2017” (MII) of Department for Promotion of Industry and Internal Trade, (DPIIT - Public Procurement Section) as revised from time to time.
- 2) Micro and/ or Small Enterprises (MSEs) under Public Procurement Policy for the Micro and Small Enterprises (MSEs) Order, 2012 as amended from time to time.
- 3) Start-ups as per Ministry of Finance, Department of Expenditure, Public Procurement Division OM No F.20\212014-PPD dated 25.07.2016 and subsequent clarifications; and/ or
- 4) Any other category of suppliers, as per any Government Policies, announced from time to time.

2.1 Preference to Local suppliers

Company follows Government of India guidelines regarding purchase preference to “Local Suppliers” to encourage 'Make in India'.

Following Provisions shall be covered in the tender documents

- a) Eligibility of Local supplier for procurement.
- b) Purchase Preference to Local Suppliers.

2.2 Compliance for Support/ Preferential Treatment to Micro & Small Enterprises (MSEs)

Policies of the Government to support Micro and Small Industries in comparison to non-MSE enterprises shall apply to procurement tenders.

Following Provisions shall be covered in the tender documents

- c) Support to MSEs
- d) Reservation of specific items for procurement
- e) Purchase Preference to MSEs

2.3 Compliance for Support to Start-up Enterprises

Company complies the Government of India regulations for support to Start-ups (as defined by the Department of Promotion of Industrial and Internal Trade - DPIIT)

- a) Exemption from submission of Bid Security
- b) Relaxation in Prior Turnover and Experience.