



Disha 2019

GeM – A Case Study of
Successful Implementation

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About ONGC



- ❖ ONGC – a Central Public Sector Enterprise engaged in exploration and drilling for oil
- ❖ Requires very high investments and great technical expertise
- ❖ Annual procurement approx. Rs.35,000 crores
- ❖ 38,000 active participants in the supply chain



GeM – Govt. e-Marketplace

- ❖ A National Public Procurement portal on the lines of e-commerce websites
- ❖ B2B marketplace for procurement of common use Goods & Services
- ❖ Already achieved Rs.22,000 crore of Gross Market Value
- ❖ A base of more than 2 lac sellers and service providers
- ❖ Offers over 8 lakh products and services
- ❖ An opportunity for the private sector to connect with Govt. procurement



GeM – A Disruptive Procurement Process

- ❖ Disruptive technologies like block-chain & artificial intelligence have the potential to change procurement
- ❖ GeM is a Made in India disruptive procurement process
- ❖ Enables addition of an item to cart and next-day delivery



Implementation of GeM - Challenges

- ❖ GeM is an ERP system with end-to-end procurement processes
- ❖ GeM - Based on General Financial Rules of the Govt. of India
- ❖ Terms and conditions and software designed on a one-size-fits-all approach
- ❖ PSUs have large degrees of autonomy
- ❖ Materials Management policies and Financial Delegation of Powers differ vastly
- ❖ ONGC has its own ERP
- ❖ e-procurement system handles all tenders above Rs. 5 lacs (> 90% of all tenders)
- ❖ Processes to be completed in own ERP to ensure integrity of material and financial accounting



GeM - Summary of Procurement

Value of Items procured from Dec. 2018	Rs. 10 crore
Categories of Items bought	62
Quantity of items bought	15,000
Procurement from MSEs	Rs. 2.5 crore



“In the beginner's mind there are many possibilities. In the expert's mind there are few.”

-- Shunryū Suzuki



We shall overcome

- ❖ A typical ONGC tender runs into 150 pages compared to some 33 pages of GeM
 - ONGC adopted all terms and conditions of GeM
- ❖ GeM determines and displays L-1 bidder
 - Preparation and vetting of comparative statement done away with
- ❖ No system of clarifications and commercial conditions of GeM are accepted by the seller
 - Tender Committee done away with
- ❖ Security Deposit for orders upto Rs. 30 lacs waived off
- ❖ Adopted GeM's incident management system for dealing with defaulters
 - ONGC's banning process not adopted for GeM orders
- ❖ Indentors asked to match specifications with the products available on GeM

Ease of Procurement

S. No.	Category - <u>Top 10</u> procured by ONGC
1.	Fire Fighting Equipment
2.	Computers
3.	Passenger Motor Vehicles
4.	Printer And Facsimile And Photocopier Supplies
5.	Automobile
6.	Video Audio Hardware Control
7.	Duplicating Machines
8.	Heating And Ventilation And Air Circulation
9.	Office Furniture
10.	Power Conditioning Equipment

S. No.	Category - <u>Bottom 10</u> procured by ONGC
1.	Respiratory Protection
2.	Circuit Protection Devices And Accessories
3.	Machinery For Working Wood And Stone And Ceramic
4.	Tape
5.	Telephone
6.	Paper Processing Machines And Accessories
7.	Medical Gloves And Accessories
8.	Bandages And Dressings And Related Products
9.	Paint Applicators And Painting Accessories
10.	Clocks



In fine

- ❖ A journey well travelled
- ❖ A once in a while opportunity to be part of a disruptive public procurement process



Thank you