



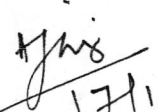
**INDIAN COUNCIL OF AGRICULTURAL RESEARCH  
KRISHI BHAWAN: NEW DELHI**

**F. No. GAC-21(3)/2018-CDN**

**Dated 17<sup>th</sup> January, 2018**

**ENDORSEMENT**

Commerce Secretary, Govt. of India, New Delhi has issued a D.O.No. 01/GeM/2018 dated 05.01.2018 regarding updating the Government e Marketplace portal (GeM 3.0 version). The above mentioned D.O.alongwith report from Aug.,2016-Dec.,2017 has been uploaded on the ICAR website [www.icar.org.in](http://www.icar.org.in) and e-office for information.

  
17/1/18  
(Ajai Verma)  
Under Secretary (GAC)

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Rita Teaotia, IAS



सत्यमेव जयते

वाणिज्य सचिव  
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नई दिल्ली-110011

COMMERCE SECRETARY  
GOVERNMENT OF INDIA  
NEW DELHI-110011

D.O. No.01/GeM/2018

Office of DS (GAC)  
Dy. No. 22  
Date 9/1/18

05 January 2018

Subject: Government eMarketplace – update

Dear Secretary

At the outset, I would like to personally thank you and your team for the tremendous support extended in our GeM journey, so far. GeM was conceptualized as an end to end online platform for improving overall efficiency and transparency in public procurement and provide an open, inclusive and transparent platform for all Ministries, Departments, PSUs and affiliated bodies, Centre and State alike, that caters to their procurement need.

GeM for the first time provided a barrier free and open entry to all sellers, small and big alike. It moved away from the mistrust based rate contract procurement system, to a paperless, cashless, contactless and mutual trust based system, wherein buyers and sellers participate and transact- transparently and effectively.

GeM 2.0 (pilot) platform was launched on 9<sup>th</sup> August 2016 and as on 31<sup>st</sup> December 2017, offered 3.7 lakh plus products and 13 services to its 0.78 lakh plus buyers sourced through 0.54 lakh plus sellers and service providers. Through 1.88 lakh plus clocked transactions amounting to INR 3300 crores plus, GeM provided savings to the tune of 25%, over base price, to its buyers. The value proposition of GeM has resonated not only amongst the Central Ministries, Departments, PSUs but also across States and Union Territories and 19 States and UTs have signed MoUs for exclusive procurement through GeM.

The learnings from GeM 2.0 pointed at the need for further enhancements to the platform, policy reforms and capacity building, to streamline the Indian public procurement through GeM. Based on the above, GeM undertook the enhancements of the GeM 2.0 platform to a scaled up 3.0 platform, which would offer standardized and enriched catalogue management, powerful search engine, real time price comparison, template based Bid and RA creation, demand aggregation, e-EMD, e-PBG, user rating, advanced MIS and analytics along with a plethora of other enhancements checks and balances to the buyers and sellers. However, delays in payment of orders fulfilled and accepted by buyers, continue to be a matter of concern. Continued efforts at your level will surely bring about the desired discipline in adhering to GeM service levels.

I, write to you at this juncture as we are about to transition to the scaled up GeM 3.0 version, to share a report on GeM 2.0, highlights for the period August 2016 to December 2017. This GeM 3.0 version will also naturally require time to stabilize, hence I request you to extend your support and guidance in this phase, as always.

With regards,

Yours Sincerely,

[ Rita Teaotia ]

All Secretaries, Government of India

2018

# GOVERNMENT E-MARKETPLACE

Report covering key achievements and  
learnings from Gem 2.0 and transition to  
Gem 3.0 going forward

(Aug 2016 – Dec 2017)

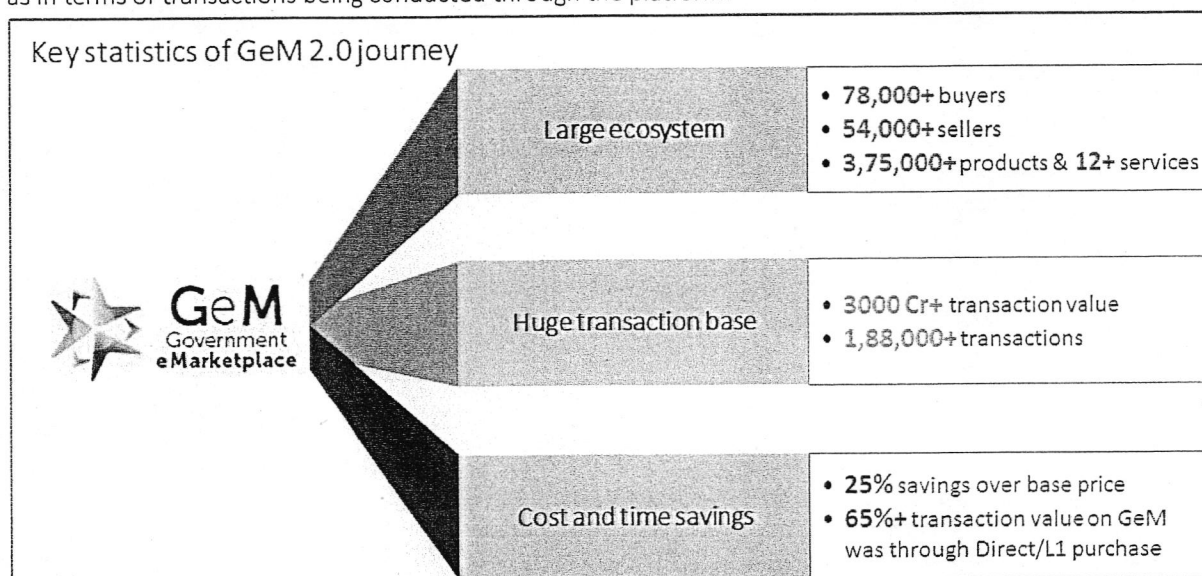


The GeM platform was launched on 9<sup>th</sup> August, 2016 with the aim to facilitate procurement at the right price, right quality and right quantity in a transparent and efficient manner. The platform is currently running a pilot phase i.e. the GeM 2.0 version. In its endeavor to continuously evolve towards becoming a world-class, robust and a state-of-the-art portal, GeM will soon launch a scaled up version GeM 3.0. This will be a significant enhancement over the current version of GeM 2.0, and will be launched on 26<sup>th</sup> Jan, 2018. This document covers the key achievements and learnings from GeM 2.0 and enhancements and key features that will be a part of GeM 3.0.

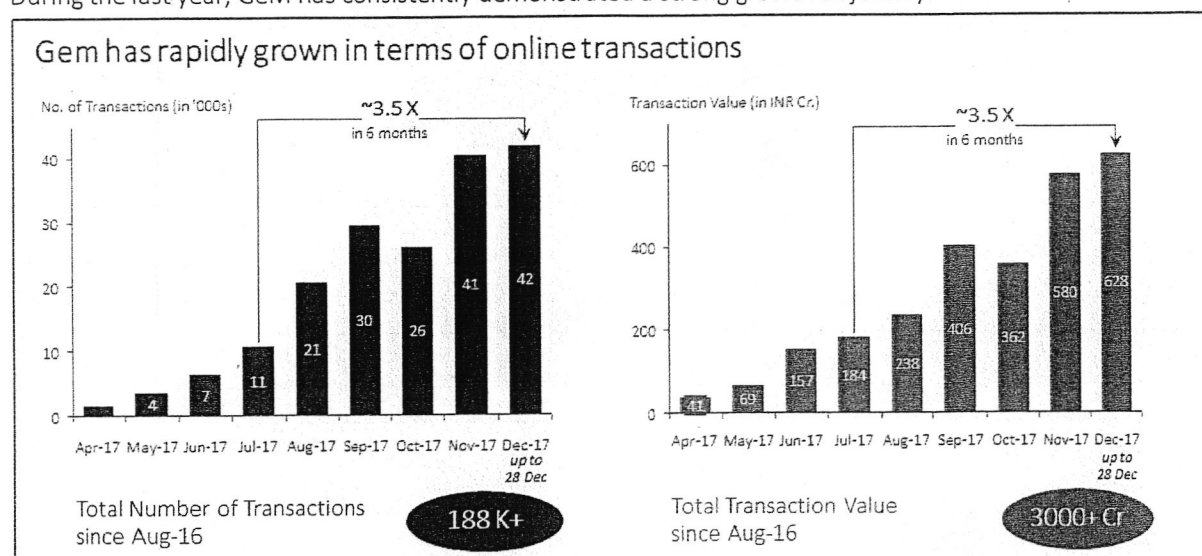
## GeM 2.0 Journey

### Key statistics and achievements

In its journey since Aug 2016, GeM has achieved significant scale across the buyer & seller ecosystems as well as in terms of transactions being conducted through the platform:



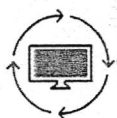
During the last year, GeM has consistently demonstrated a strong growth trajectory:





In addition to achieving significant scale, GeM has also made considerable progress in achieving its key objectives: Openness& Inclusiveness, Efficiency, and Transparency as highlighted in the figure below:

GeM has made significant progress in achieving its objectives



#### Openness & Inclusiveness

- 3,75,000+ products & 12+ services offered by 54,000+ sellers across the country
- 49% transaction volume through MSMEs (Medium, Small & Micro Enterprises)
- MoUs with M/o MSME, CSC for accelerated training & onboarding of MSMEs
- MoU with CII (GeMSamvad) to create further awareness
- Training of 35 K+ buyers and sellers conducted across 85 cities



#### Efficiency

- 25% savings over base price for buyers (INR 6.5+ Crore saving through demand aggregation of smartphones in one purchase)
- Integration with Udyog Aadhar, MCA 21, PFMS, CGDA and SEBI empaneled rating agencies for robust registration process
- MoU with Quality Council of India to facilitate quality in procurement



#### Transparency

- Completely online, end-to-end procurement process
- Eliminated direct interface between buyers & sellers
- Readily available data of all transactions

Key partners in journey till now...

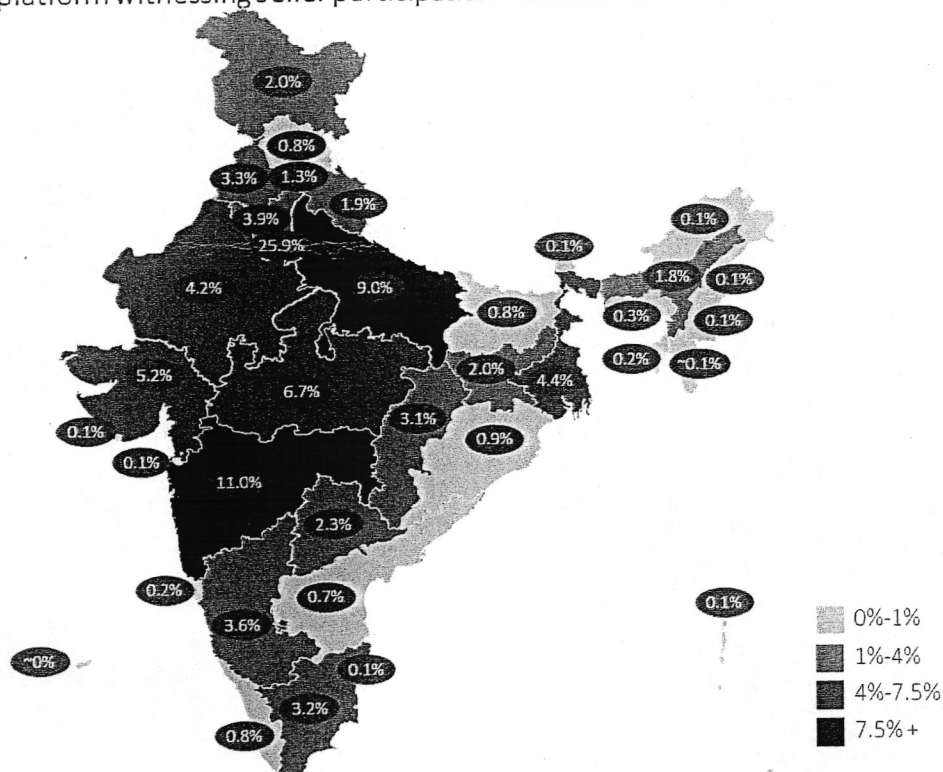


GeM has taken significant strides in creating an efficient ecosystem that is cashless, paperless and contactless. GeM has already been recognized globally in its pilot 2.0 run:



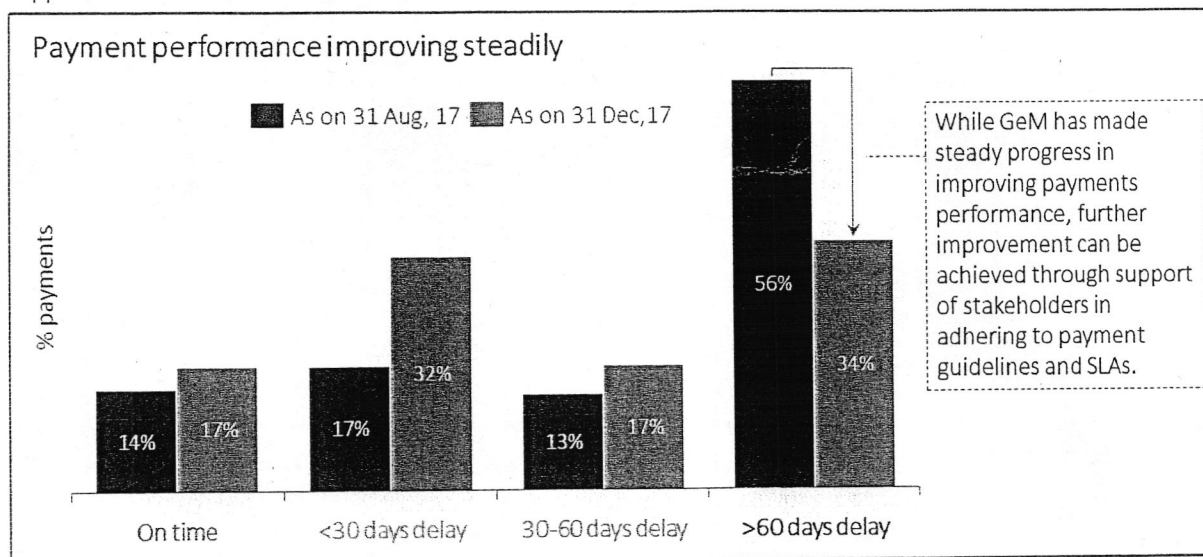
GeM has been awarded as one of the winners of the South Asia Procurement Innovation Awards of the World Bank, 2016

As highlighted in figures below, GeM platform has successfully enabled support for many types of transactions (Direct purchase, L1, Bid/RA) being leveraged by buyers and sellers. Moreover, the openness of the platform has allowed sellers from across the nation to do business with different organizations of the government:



## Service levels and compliances

GeM aspires to move to 100% online payments to ensure a truly cashless procurement process. This will not only make the process efficient but also improve timely payment assurance. While GeM has made steady progress in improving payments performance as shown below, further improvement can be achieved through support of stakeholders.



## States on GeM

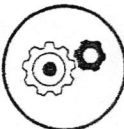






While Rule 149 of GFR makes procurement through GeM mandatory for items listed therein for Central Ministries, Departments and Bodies, GeM has also collaborated with 19 States and UTs to sign MoUs for procurement through GeM.



As discussed earlier, moving all payments online is a key aspiration for GeM. GeM is implementing pool accounts mechanism to ensure seamless online payments through its platform for many buyers. As shown in figure above, first pool account has already been operationalized with Uttar Pradesh.

## Observations & learnings from GeM 2.0 journey

In its journey up till now, GeM has gained considerable experience across a diverse set of buyers, sellers and product& service categories. Key observations & learnings so far can be categorized in 7 key buckets:

Key observations and learnings from GeM 2.0 across 7 main buckets		
	<b>Platform &amp; technology</b>	<ol style="list-style-type: none"> <li>1. Need for ERP integration</li> <li>2. Improvement in Technical Parameter definition</li> <li>3. Enhancement in search &amp; discovery process</li> <li>4. Providing system enabled decision support</li> </ol>
	<b>Marketplace policy</b>	<ol style="list-style-type: none"> <li>1. Need for unified marketplace policy</li> <li>2. Addressing inconsistency across existing policies</li> <li>3. Better clarity, communication on role of GeM</li> </ol>
	<b>Seller base expansion</b>	<ol style="list-style-type: none"> <li>1. Need to create strong 'pull' to attract sellers</li> <li>2. Simplification of seller registration process</li> <li>3. Automated, capability driven credential verification</li> <li>4. Further improvements to ensure inclusiveness and OEM support for expansion</li> </ol>
	<b>Buyer engagement</b>	<ol style="list-style-type: none"> <li>1. Improvement in servicing of customers</li> <li>2. Need to scale up call center</li> <li>3. Incorporation of feedback mechanism for buyers</li> <li>4. Implementation of demand aggregation, bunching and bundling</li> </ol>
	<b>Analytics</b>	<ol style="list-style-type: none"> <li>1. Need for predictive analytics such as demand forecasting to ensure availability</li> <li>2. Capability for analytics-led user ratings</li> <li>3. Designing dashboards to enable decision support for buyers and sellers</li> </ol>
	<b>Payments</b>	<ol style="list-style-type: none"> <li>1. Need for rollout of GeM pool accounts mechanism</li> <li>2. Move to 100% online payments</li> <li>3. Payments integration for PSUs through ERP</li> </ol>
	<b>Org capabilities</b>	<ol style="list-style-type: none"> <li>1. Capacity building for platform scale up</li> <li>2. Ensuring best-in-class org capabilities for a world class e-procurement portal</li> <li>3. Clearly defined talent acquisition, retention and performance management mechanisms</li> </ol>

As GeM's current avatar reaches its end of life, these learnings and observations will form an integral part of the functionalities of the scaled up GeM 3.0 version.



## Way forward: GeM 3.0

### GeM 3.0 enhancements

Multiple key enhancements and functionalities have been planned as part of GeM 3.0 to address challenges identified as part of GeM 2.0 journey, both at policy and platform level. Some of the key enhancements that will characterize GeM 3.0 are as follows:

Enhancements planned as part of GeM 3.0 launch	
Policy related improvements	1 <u>Advanced decision support</u> to recommend mode, parameters & weightage of procurement by buyers depending on skill & cost of products/services to be procured
	2 <u>Improved business rule engine</u> with detailed bid parameters incorporating turnover, org capabilities & financial credibility of seller, based on value & type of procurement
	3 <u>Integration with CPPP and detailed audit trail</u> via versioning to enable greater transparency and accountability
Platform enhancements for buyer & seller engagement	4 <u>Robust catalog management</u> with well-defined data types and rich information for standardized seller and buyer experience
	5 <u>Improved, powerful search engine</u> with advanced filters and functionalities for seamless discovery and enabling procurement policy related guidelines (e.g. PMA)
	6 <u>Multisource, real time price comparison</u> to enable informed decision making through price discovery for buyers
	7 <u>Multi-cart functionality</u> and market based bunching of products and services to enable time efficient buying
	8 <u>Support for multiple languages</u> to enhance openness and usability of the platform to a much larger set of sellers and buyers
	9 <u>Advanced analytics</u> to improve availability of rich, automated information e.g. performance based user rating
	10 <u>Integration of demand aggregation</u> to enable realization of greater savings for buyers

A well-defined transition strategy has been laid out to ensure a smooth transition of GeM from its current 2.0 version to the scaled up 3.0 version. The strategy aims to ensure:

- Zero data loss
- Continuity of operations for past business as usual
- Minimized downtime and disruption of GeM's business offering
- Transition related communication with all related stakeholders

### Expectations from stakeholders

As mentioned earlier, GeM will migrate to its 3.0 version on 26<sup>th</sup> Jan, 2018. As GeM makes this significant change in its aspiration to become a world class online procurement portal, the support of its many stakeholders in adhering to guidelines, SLAs would be imperative to ensure success. Given the complicated nature of procurement space, many challenges would need to be addressed during the stabilization phase of GeM 3.0. Your continued support in this journey will be a crucial building block for GeM to achieve its stated aspiration.