



सत्यमेव जयते

GOVERNMENT OF INDIA
MINISTRY OF SKILL DEVELOPMENT
& ENTREPRENEURSHIP

Workshop on Procurement Requirement and Arrangements

Wednesday, 17th February 2021, 11:00 AM – 1:00 PM

**SKILLS STRENGTHENING FOR INDUSTRIAL
VALUE ENHANCEMENT (STRIVE)**



Directorate General of Training



Index

- 1. Legal aspects of STRIVE**
- 2. Operational Aspects of STRIVE**
- 3. Procurement Aspects of STRIVE**
- 4. Procuring Entities and applicable Procurement Methods/Rules**
- 5. Procurement Responsibilities of SPIU**
- 6. Program Action Plan Related to Procurement**
- 7. Disclosure of Procurement Information**
- 8. Complaint Redressal Mechanism pertaining to Procurement of Goods, Works and Services**
- 9. Procurement Reporting requirements**
- 10. Procurement Audit by Auditors and World Bank**

Legal Aspects



Directorate General of Training

- ▶ Through the Program's Legal Documents, India (as recipient of IDA credit) is formally and fully committed to ensuring that :
 - ▶ The Program's results are not affected by fraud or corruption;
 - ▶ The Program is legally bound to be implemented as per the World Bank's Anti Corruption Guidelines;
 - ▶ The Program legally complies with a set of priority actions for institutional strengthening, namely, the 'Program Action Plan' (PAP); and
 - ▶ The Program activities exclude 'Program Exclusion Activities'

Legal Aspects



Directorate General of Training

- ▶ It may be noted that :
 - ▶ The Anti-Corruption Guidelines cover all Program expenditures under STRIVE, i.e., under Results Areas 1 through 4 and under the Technical Assistance Component.
 - ▶ Program exclusion activities are those that :
 - ▶ are likely to have significant adverse impacts that are sensitive, diverse, or unprecedented on the environment and/or affected people; or
 - ▶ involve the procurement of:
 - ▶ works, estimated to cost seventy-five million United States Dollar (USD 75,000,000) equivalent or more per contract;
 - ▶ goods, estimated to cost fifty million United States Dollar (USD 50,000,000) equivalent or more per contract;
 - ▶ non-consulting services, estimated to cost fifty million United States Dollar (USD 50,000,000) equivalent or more per contract; or
 - ▶ consultants' services, estimated to cost twenty million United States Dollar (USD 20,000,000) equivalent or more per contract

Operational Aspects of STRIVE



Directorate General of Training

- ▶ Operational Manual (OM) is defined in the Legal Agreement of STRIVE, which makes implementation of the Program in accordance with provisions of the OM legally binding.
- ▶ Legal requirements of STRIVE are cascaded and reflected in the Operational Manual so as to 'operationalize' implementation in accordance with agreed arrangements.
- ▶ Operational Manual (OM) of the STRIVE was prepared by DGT, MSDE on 3rd January, 2019.
- ▶ OM is disclosed on DGT website whose link is https://dgt.gov.in/sites/default/files/NSC%20Approved_STRIVE_OperationsManual_v1.0.pdf



Procurement Aspects of STRIVE

- ▶ Objective of this section is to provide information on procurement aspects of STRIVE as detailed in the Procurement Chapter of the Operations Manual, as below :
 - ▶ Applicable procurement rules
 - ▶ Program Action Plan related to Procurement : ‘Procurement PAP’, as below :
 - ▶ requirement of preparation of procurement plans in a standardized format and their disclosure in public domain, and their measurement; and
 - ▶ importance of disclosing procurement complaint handling protocol applicable to STRIVE, and process and procedure for handling procurement related complaints in an unbiased and transparent manner

Procurement Aspects of STRIVE



Directorate General of Training

- ▶ Procurement disclosure requirements;
- ▶ Procurement record keeping for Program Audit; and
- ▶ Important standard terms and conditions of bidding:
 - ▶ Fraud and Corruption
 - ▶ Arbitration and Dispute Resolution
 - ▶ Law Governing the Contract
 - ▶ Insurance
 - ▶ Patent Rights
 - ▶ Force Majeure
 - ▶ Conflict of Interest
 - ▶ Payment Terms



Procuring Entities and Applicable Procurement Methods/Rules

- ▶ Procuring entities in STRIVE belong to both public and private sectors, as below :
 - ▶ National Project Implementation Unit (NPIU)
 - ▶ Central Staff Training and Research Institute (CSTARI)
 - ▶ National Skill Training Institutes (NSTIs)
 - ▶ National Instructional Media Institute (NIMI)
 - ▶ State Project Implementation Unit (SPIU)
 - ▶ State Apprentice Monitoring Cell (SAMC)
 - ▶ Government and Private ITIs
 - ▶ Industry Clusters (ICs)



Procuring Entities and Applicable Procurement Methods/Rules

STRIVE COMPONENTS	Procuring Entity	Applicable Procurement Rules
PROGRAM [COVERING RESULT AREAS 1 TO 4]	Centrally Financed Institutions (CFIs)	GFR 2017, as updated from time to time
	SPIUS, and Government ITIs	State Financial Rules/legislation on procurement, as updated from time to time
	Private ITIs and ICs	Applicable procurement method to be governed by “Canons of Financial Propriety” with due attention to economy and efficiency
TECHNICAL ASSISTANCE (TA)	NPIU	World Bank Procurement Rules



Procurement Responsibilities of SPIU

- ▶ In accordance with Annexure 2 of the Operations Manual, Procurement responsibilities of the SPIU include :
 - ▶ Ensuring full knowledge and systematic application, including key staff of relevant State/UT officials, of the procurement and consultancy guidelines as per Section 4.2 of STRIVE Operation Manual, for application to the technical assistance component
 - ▶ Managing the procurement of works, goods and consultancies required for State/UT level activities under the project and manage the procurement of consultancies
 - ▶ Preparation of Procurement Plan at the State level. In case where ITI prepares procurement Plan, the Procurement officer would ensure training at the ITI level
 - ▶ Executing National Competitive Biddings
 - ▶ Liaising with the Procurement Officer at the national level, providing information on issues (problems and solutions)
 - ▶ Acting as a support and reference person for all project-related procurement tasks
 - ▶ Submitting quarterly procurement progress reports to the SPIU Director
 - ▶ Acting as first line of contact for dealing with enquiries and complaints regarding procurement referred to the SPIU [also refer to Grievance Redressal Mechanism] ¹⁰

Program Action Plan Related to Procurement : Procurement PAP



Directorate General of Training

Annex 8: Program Action Plan

Action Description	DLI*	Covenant*	Due Date	Responsible Party	Completion Measurement**
Procurement Arrangements					
Functional procurement complaint handling and redressal mechanism	<input type="checkbox"/>	<input type="checkbox"/>	Within one year of effectiveness	MSDE	Availability on project website and reports generated from the system
Preparing and publishing Annual Procurement Plans on project website	<input type="checkbox"/>	<input type="checkbox"/>	Throughout Program implementation	ITI, State Directorates, MSDE	Year 2: 20% of target achieved Year 4: Another 40% of target achieved



Program Action Plan Related to Procurement : Procurement PAP

- ▶ Publication of Procurement Plans was followed in the earlier Vocational Training Improvement Project [VTIP]
- ▶ Standardized Procurement Plan Formats:
(<https://dgt.gov.in/sites/default/files/IndicativePPFormat-Sample.pdf>,https://dgt.gov.in/sites/default/files/IndicativePP_Format.pdf,https://dgt.gov.in/sites/default/files/PPFormat_IC.pdf) is available at NPIU Website.
- ▶ NPIU seeks feedback on, and shall be monitoring on a quarterly basis [submission of first report on March 31, 2021 :
 1. Where we are with regard to implementation of Procurement PAP ?
 2. Who will implement Procurement PAP ?/How/Where will this be disclosed ?/When ?
 3. How long do we need to complete these 2 PAPs related to procurement ?
 4. It may be noted that Contract Award Notices [to be disclosed] will have a reference to Procurement Plan

Procurement Plan



Directorate General of Training

► Procurement Plan

- lists procurement requirements, aligned with STRIVE activities in a specified format
 - establishes the timelines for carrying out each step in the procurement process up to contract award and the fulfillment of the requirement
 - allows for the monitoring of the procuring process to determine how actual performance compares with planned activities, and thus to alert the pertinent departments and adjust the procurement plan accordingly
 - enhances the transparency and predictability of the procurement process
 - gives predictability to procurement
- **Rule 142 of GFR, 2017** : requires the of preparation of Annual Procurement Plan and its disclosure, by all Ministries/Departments
- Procurements under STRIVE shall be initiated after approval of the procurement plan from authorities as specified in the guidelines as per Section 4.2.5 of STRIVE OM

Procurement Plan



Directorate General of Training

- ▶ All procurement plans shall need to be disclosed in public domain in a legible form by the respective procuring and implementing entities.
- ▶ Copy of procurement plan and compliance with disclosure requirements shall be provided by procuring entities to Program Auditors
- ▶ Procurement plan is also required to ensure that the procurement of goods conform to National Skills Qualifications Framework (NSQF) compliant courses/Standard National Council for Vocational Training (NCVT) list of Machinery/Equipment/Tools and duly approved by Institute Management Committee (IMC) (or equivalent) of respective Government/Private ITI
- ▶ Any exception to this may be properly justified and approval of SPIU may be obtained before its initiation of procurement activities with regard to above exceptions. Exceptions shall be made available to Program Auditors



Disclosure of Procurement Information

- ▶ The following documents shall be disclosed on the website of procuring entities and on the websites of both the State Directorates and NPIU:
 - ▶ Approved procurement plans and their updates
 - ▶ Invitation for bids for goods, works, services (consulting and non-consulting) for all National Competitive Bidding (Open Tendering)
 - ▶ Shortlists of Consultants
 - ▶ Contract Award Notices [CAN] of all procurement carried out under STRIVE in standardized formats available at [:\(https://dgt.gov.in/sites/default/files/CANCompselection.pdf, https://dgt.gov.in/sites/default/files/CAN-DirectSelection.pdf, https://dgt.gov.in/sites/default/files/CANRFO.pdf\)](https://dgt.gov.in/sites/default/files/CANCompselection.pdf)
 - ▶ Action taken report on procurement complaints received on quarterly basis



Procurement Complaint Redressal

Mechanism

- ▶ This was also used in predecessor Vocational Training Improvement Project [VTIP]
- ▶ Procurement Complaint Redressal mechanism shall be integrated with Grievance Redressal Mechanism of STRIVE
- ▶ Procurement related complaints will need to be handled with utmost confidentiality, in a fair and unbiased manner, and within stipulated timelines
- ▶ All procurement related complaints shall be acknowledged in writing promptly, and a resolution provided through a written response thereafter, within stipulated timelines
- ▶ In responding to any procurement related complaint, procuring entities under STRIVE have an obligation to maintain the confidentiality of the procurement process and of proprietary information provided by the complainant as part of its bid or otherwise



Procurement Complaint Redressal Mechanism

- ▶ All such complaints shall be handled in accordance with the protocol disclosed in the GRM note available at DGT website at : <https://dgt.gov.in/sites/default/files/GuidanceNote-GRM.pdf>
- ▶ STRIVE Grievance Form can be seen at DGT Website at: <https://docs.google.com/forms/d/e/1FAIpQLSceI6kkgAIo0kEQtvnosv-A45FPfRQN8EGkz-FUt2ZYgbGS3Q/viewform>
- ▶ The mechanism shall apply to all levels of implementation the Central/State/ITI and IMC levels and immediate action will be initiated on receipt of complaints from the contractors/suppliers/consultants/service providers, to redress the complaint
- ▶ All complaints shall be monitored and disclosed on a quarterly basis in a standardized format (<https://dgt.gov.in/sites/default/files/Complainttrackingdisclosureformat-Sample.pdf>, <https://dgt.gov.in/sites/default/files/Complainttrackingdisclosureformat.pdf>) by Concerned Implementing agencies
- ▶ These complaints will be discussed with National Project Coordinator STRIVE at DGT level and/or at the State/SPIU level with the State Project Director STRIVE list of complaints/action taken/time taken for resolution etc., shall be disclosed on NPIU/SPIU website in a standardized format



Complaint Redressal Mechanism pertaining to Procurement of Goods, Works and Services

- ▶ All complaints alleging Fraud and Corruption, shall be dealt with as per Central Vigilance Commission (CVC) guidelines and also be reported to the Office of the Institutional Integrity (INT) (www.worldbank.org/integrity). It may be noted that when allegations of fraud and corruption are substantiated, firms/individuals involved in misconduct are sanctioned from engaging in any new Bank-financed activity
- ▶ List of debarred firms is available at URL : <https://www.worldbank.org/en/projects-operations/procurement/debarred-firms>



Procurement Reporting requirements

- ▶ The NPIU will periodically monitor the progress of implementation of the project including procurement implementation. To this effect, it will capture key procurement parameters, including implementation and achievement of procurement and PAP related to procurement at the central and state levels
- ▶ Procurement reporting format [that includes Procurement PAP] is available at (https://dgt.gov.in/sites/default/files/PAPReportingFormat-Sample_0.pdf, https://dgt.gov.in/sites/default/files/PAPReportingFormat_0.pdf)
- ▶ The States have to disclose all the below required information on their website quarterly basis:
 - ▶ Excel format related to procurement (<https://dgt.gov.in/sites/default/files/Procurement%20Data%20Format.pdf>) (<https://dgt.gov.in/sites/default/files/StateCFIProcurementDatasheet.pdf>)



Procurement Audit by Auditors : Included in Program Audit

- ▶ ToRs for Internal Audit is available at https://dgt.gov.in/sites/default/files/TOR_InternalAudit.pdf
- ▶ ToRs for External Audit is available at https://dgt.gov.in/sites/default/files/TOR_ExternalAudit.pdf
- ▶ As per the ToRs, procurement is part of Program Audit
- ▶ The procuring entities will maintain all the records of procurement exclusion activities, issue, receipt, opening, evaluation of tenders, award of contracts, payments made, complaints, and all other procurement records in chronological order and the files kept in a safe and identified place
- ▶ Records should be maintained for a minimum period of 5 (five) years beyond the closure of the STRIVE project



Procurement Audit by Auditors : Included in Program Audit

- ▶ Auditors shall primarily report on the following :
 - ▶ Goods and services financed have been procured in accordance with the relevant financing agreement and procurement norms as laid out in the operational manual
 - ▶ Contracts of values higher than the stipulated thresholds have been excluded from Program Expenditure
 - ▶ Whether contract award notice has been displayed in public domain. If yes, URL may be included
 - ▶ Whether Annual Procurement Plan has been published. Details/URL may be provided
 - ▶ Whether any complaint has been received under the Program and if yes, whether resolved. Detailed list may be included.
 - ▶ Compliance with the Program Action Plan related to Procurement
 - ▶ Whether any contract is issued to a firm sanctioned/debarred by the Bank



Directorate General of Training

Thank You