



# THE ASSAM GAZETTE

অসাধাৰণ

EXTRAORDINARY

প্ৰাপ্ত কৰ্তৃত্বৰ দ্বাৰা প্ৰকাশিত

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GOVERNMENT OF ASSAM

ORDERS BY THE GOVERNOR

INDUSTRIES AND COMMERCE DEPARTMENT

**NOTIFICATION**

The 27th November, 2017

**No. CI.313/2003/Pt.-I(B)/259.-** Whereas the Procurement Preference Policy, Assam, 2015, formulated as per provision of section 11 of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 (No.27 of 2006) by repealing Assam Preferential Stores Purchase act, 1989, was under implementation since 30/11/2015.

And whereas, the need for formulation of a Procurement Preference Policy by way of amendment is felt broadly in view of the fact that maximum efforts shall be made to procure maximum goods and services from the enterprises of the State without compromising quality, competitiveness and cost effectiveness:

Now the Governor of Assam, in exercise of the powers conferred under section 11 of the Micro, Small and Medium Enterprises Development Act (MSMED), 2006 is hereby pleased to amend the Procurement Preference Policy, Assam, 2015 hereinafter referred to as the principal Policy, in respect of procurement of goods and services produced and provided by Micro and Small Enterprises, by the Government Departments, State Public Sector under takings and its aided institutions, in the manner herein after appearing, namely :-

**Short title, extent and commencement.**

1. i. This policy may be called Procurement Preference (Amendment) Policy, Assam, 2017.
- ii. They shall come into effect from the date of its notification in the Official Gazette.
- iii. It shall extend to the whole state of Assam.

**Amendment of clause 3.**

2. In the principal Policy, in clause 3:-
  - (i) in sub-clause iii, for the existing provisions, the following shall be substituted, namely,
 

“iii, Enhancement of competitiveness amongst the Micro and Small Enterprises through sound, fair and transparent practices”.
  - (ii) In sub-clause v, for the existing provision, the following shall be substituted, namely:-
 

“v. Increased share of supplies of Micro and Small Enterprises to State Government Departments and its aided institutions and Public Sector Enterprises. All the administrative Departments/Agencies under the control of State Government, Heads of Department and offices subordinate to them. Boards, Corporations, Development Authorities, Improvement Trusts, Municipalities, Notified Area Committees, Co-operative Bodies and Institutions aide by the State Govt. and companies where

Government share is 50% or more, will ensure procurement of minimum of 25% of total annual purchase of products produced and services rendered by MSEs of Assam.”

(iii) After sub-clause vi, a new sub-clause vii, shall be inserted, namely:-

“vii. Procurement Preference (Amendment) Policy, Assam, 2017 aims at promoting and developing Micro and Small Enterprises (MSEs) of the State by giving preference in purchase of its products and services in comparison with the units located outside the state, without compromising the quality, competitiveness and cost effectiveness.”

**Amendment of clause 4**

3.

In the principal Policy in clause 4,-

- (i) in sub-clauses x and xi, the existing provision shall be deleted and sub-clause xii, xiii and xiv shall be renumbered as sub-clauses x, xi and xii respectively.
- (ii) after the renumbered sub-clause (xii), the following new sub-clause xiii shall be inserted, namely :-
  - “xiii. “Enterprises” means an industrial undertaking or a business concern or any other establishment in MSE category, by whatever name called, engaged in the manufacture or production of goods having their manufacturing unit in the State of Assam or engaged in providing or rendering of any service or services.”

**Insertion of new clauses 4A and 4B**

4.

In the principal Policy, after clause 4 the following new clauses 4A and 4B shall be inserted, namely :-

**4A. Mandatory procurement from Micro and Small Enterprises.-**

- (i) Every Department of the State Government or its Agencies or aided Institutions shall set an annual goal of procurement from Micro and Small Enterprises from the financial year 2017-18 and onwards, with the objective of trying to achieve overall procurement of minimum 25 per cent of total annual purchases of products and services rendered by Micro and Small Enterprises in a period of three years which may be extended up to a period of 10 (ten) years.
- (ii) In case there are no supplier in the MSE Sector of the state who have the capacity to supply required items, department/organization is free to procure from open market through stipulated processes.

**4B. Special provisions for Micro and Small Enterprises owned by Scheduled Castes or Scheduled Tribes.-**

- (i) Out of 25 per cent target of annual procurement from Micro and Small Enterprises, a sub-target of 20 per cent (i.e., 5 per cent out of 25 per cent) shall be earmarked for procurement from Micro and Small Enterprises owned by the Scheduled Caste or the Scheduled Tribe entrepreneurs. Provided that, in event of failure of such Micro and Small Enterprises to participate in tender process or meet tender requirements and L<sub>1</sub> price, 5 percent, as mentioned above, for procurement earmarked for Micro and Small Enterprises owned by Scheduled Caste or Scheduled Tribe entrepreneurs shall be met from other Micro and Small Enterprises.
- (ii) In case the department has failed to get tender offer under such category, the reason in detail must be mentioned in the proceeding of the procurement committee meeting held for the purpose.”

- Amendment of clause 5.** 5. In the principal Policy, in clause 5, after the last word supply, for the punctuation mark (.) fullstop, the punctuation mark (:) colon shall be substituted and there after, the following proviso shall be inserted, namely :-  
“Provided that the preference under the policy shall be valid for 10 (ten) years in case of both Micro and small Enterprises.
- Amendment of clause 6.** 6. In the principal Policy, in clause 6,-
- (i) for the existing sub-clauses ii, iii and iv, the following shall be substituted, namely :-  
“ii. In case of turnkey projects executed by any departments of the State Government, goods manufactured in the State shall be given preference”.
- iii. In case more than one such Micro and Small Enterprise qualifies for price preference, the supply shall be shared proportionately (to tendered quantity) depending on the capacity of the enterprises and the price quoted.
- iv. “L<sub>1</sub> rates and quantity of order shall be offered to all such participating enterprises provided that products of units participating in the tender corresponds to ISI or equivalent standard”
- (ii) after sub-clause iv, the following new sub-clause v shall be inserted, namely :-  
“v. The State Government Departments and its Agencies or aided Institutions under their control will have to procure their requirement of these items/services exclusively from local MSEs for the items by inviting limited competitive quotations/ tenders from such local MSEs only. Efforts will be made to distribute the purchase order equitably among the participating enterprises prepared to accept lowest negotiated rate keeping in view their production capacity.”
- Amendment of clause 7.** 7. In the principal Policy in clause (7), for the existing sub-clause i, the following shall be substituted, namely :-
- “i. All purchases above Rs.20.00 lakh (Rupees twenty lakh) from the Enterprises should be done by e - TENDER under this policy by the respective departments.”
- Amendment of clause 11.** 8. In the principal Policy, in clause 11, after the existing provision, the following sub-clauses i and ii shall be inserted, namely:-
- “(i) The MSE/other enterprise and unit must have complied with all statutory and legal formalities of concerned regulators/Act.
- (ii) The MSE unit availing preferential treatment will give an undertaking with respect to sub-clauses (i) to (iv) of clause 14 including a categorical statement that the product/services being supplied to the Government Departments or its agencies has been manufactured/created by the unit located in Assam only, giving details of batch no./date or any other identifiable tag (GSI etc.) as per prevalent established practice.”

- Amendment of clause 14.**                    9.                    In the principal Policy, for the existing clause 14, the following shall be substituted, namely :-
- “14. Procurement Preference (Amendment) Policy, Assam, 2017 shall be applicable to such Micro and Small Units (MSEs as defined under MSME Act 2006 of Government of India and other units/enterprises of the state which shall fulfill all the following criteria:-
- i. The manufacturing or Service unit is located within the State of Assam;
  - ii. The Head Office or Corporate Office of such registered unit/company/enterprises is within the territorial jurisdiction of Assam;
  - iii. MSE is registered with the Directorate of Industries/District Industries Centre;
  - iv. The MSE/other enterprise and unit must have encouraged local people in employment. ”
- Amendment of clause 16.**                    10.                    In the principal Policy, the existing provision in clause 16 shall be deleted and clause 17 shall be renumbered as clause 16.

**RAVI CAPOOR,**  
Additional Chief Secretary to the Govt. of Assam  
Industries & Commerce Department.