

No.F.6/7/2022-PPD
Government of India
Ministry of Finance
Department of Expenditure
Procurement Policy Division

264-C, North Block, New Delhi.
6th September, 2022.

OFFICE MEMORANDUM

Subject: Push Button Procurement.

As per Rule 144 (vii) of General Financial Rules, (GFRs) the procuring entity should satisfy itself that the price of selected offer is reasonable. Even in case of procurement through Government e-Marketplace (GeM), Rule 149 of GFRs stipulates that the procuring authority will certify the reasonability of rates. Guidance to ascertain reasonability of rates has been provided in the Manuals for Procurement issued by this Department.

2. It has come to notice to this Department that sometimes especially infrequent Government buyers find it difficult to certify reasonability of rates. Such users normally do not possess requisite skills in making procurement decisions. It delays the procurement process. At the same time, for usually low value procurements, efforts expended in assessing reasonability of rates may be disproportionate. Additionally, with developments in technology and e-procurement becoming the norm, availability of market data and capability to analyse it artificially, has provided an opportunity to automate decision making activities, like assessment of reasonability of rates in such cases.

3. In view of above, it has been decided to start “Push Button Procurement (PBP)” for small value procurements purely on experimental basis, for one year from date of launch by GeM, with the following conditions:

- (a) PBP will be made only on GeM through bidding (PBP through Direct Purchase, L-1, Custom-bid etc. are not permitted).
- (b) The total procurement value of the specific case is not to exceed Rupees One lakh, inclusive of all taxes.
- (c) This will be additional method of procurement and procuring entities are free to use or not to use this additional method of procurement.
- (d) This method can be used only in case of at least five bids are received. In case of less than five bids are received, the procurement is to restart using usual procurement methods.

- (e) No splitting of requirement is to be done so as to bring procurement under this method.
 - (f) Once bid is invited on GeM, contract will be placed directly by GeM without any human intervention. (Provided condition 3 (d) above is complied.)
 - (g) This method will be permitted by GeM only for such categories, where at least ten sources are listed.
4. Detailed Guidelines will be uploaded by GeM on its portal.
5. This issues with the approval of Finance Secretary.

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To

Secretaries of all Central Government Ministries/ Departments.
Financial Advisers of Central Government Ministries/ Departments

Copy to CEO/ GeM with a request to start PBP immediately under intimation to this office. Monthly Reports may also be sent to this office indicating progress, problems etc. in this regard.