

**SOURCING STRATEGY & POLICY
CORPORATE OPERATIONS MANAGEMENT
BHEL - NEW DELHI**

AA:SSP:PPP-MII
30.11.2018

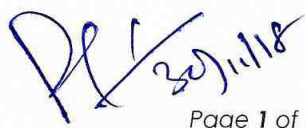
Circular no. 42 of 2018-19

Sub: Public Procurement (Preference to Make in India), Order 2017

1. Public Procurement (Preference to Make in India), Order 2017 was issued vide No P-45021/2/2017-B.E.-II dated 15.06.2017 by DIPP, Ministry of Commerce and Industry to encourage 'Make in India' and promote manufacturing and production of goods and services in India. The policy envisages that public procuring entities shall give purchase preference to the local suppliers in the manner provided in the Policy and in terms of the specific instructions of the concerned Nodal Ministry.

In partial modification of the above order dated 28.05.2018, Works including turnkey Works has also been included in addition to goods and services.

2. Vide Circular 06 of 2018-19 dated 02.06.2018, Corp. SS&P communicated the following to Units/ Regions:
 1. *There should be no such qualifications for the bidders that would be advantageous to the foreign manufactured goods at the cost of domestically manufactured goods i.e. no restrictive and discriminative clauses against domestic suppliers are included in the NIT/GCC.*
 2. *Appropriate changes in the GCC/ NIT of the respective units/ regions/ divisions may be carried out in compliance to the PPP-MII Order 2017.*
3. Vide Corp. SS&P Circular no. 22 of 2018-19 dated 03.08.2018, an Overseeing Committee consisting of Heads of Engineering, MM and Finance was constituted in each of the units/ regions with following terms of reference:

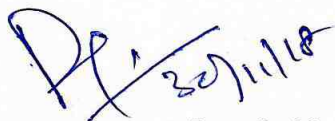

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- To ensure that no restrictive clauses are present in the NIT against indigenous suppliers.
- To scrutinize each complaint w.r.t. Make in India Order and take corrective action, if any.

The Action Taken Report on each such issues shall be sent to ED/ COM through Head of the Unit/ Region within 10 days of receipt of such complaint.

- To review all POs/ WOs placed in the last three years on foreign suppliers or local suppliers with less than 50% local content and to suggest corrective actions, if any.
 - This will be applicable for all the items being sourced by BHEL.
 - As and when nodal ministries issue list of items and local content for giving preference to indigenous suppliers, the same should be included in NIT for all such items.
4. All Units/ Regions/ Divisions are to implement the Public Procurement (Preference to Make in India), Order 2017 with immediate effect in all procurements of BHEL as follows:
- i. Default purchase preference shall be 20% to local suppliers with default minimum local content of 50% for all item(s)/ work(s)/ service(s) unless any of the Nodal Ministry has prescribed or prescribe in future higher or lower percentage of purchase preference and/ or local content in respect of any item(s)/ work(s)/ service(s) in which case the purchase preference and/ or local content for that particular item(s)/ work(s)/ service(s) shall be as prescribed by the Nodal Ministry.
 - ii. Following clause is to be inserted in all the NITs:

"For this procurement, Public Procurement (Preference to Make in India), Order 2017 dated 15.06.2017 & 28.05.2018 and subsequent Orders issued by the respective Nodal Ministry shall be applicable even if issued after issue of this NIT but before finalization of contract/ PO/ WO against this NIT.



iii. Corrigendum to this effect shall be issued in case of all ongoing NITs.

- This issues with the approval of the competent authority.

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