

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
(DEPARTMENT OF COMMERCE)

RAJYA SABHA
UNSTARRED QUESTION NO. 2596
ANSWERED ON 11/08/2023

GOVERNMENT PROCUREMENT THROUGH GeM PORTAL

2596. SMT. PRIYANKA CHATURVEDI:

Will the Minister of COMMERCE & INDUSTRY be pleased to state:

- (a) the details of revenue sharing model and the total amount collected by the private players through Government e Marketplace (GeM) portal in the last three years;
- (b) the details of grievance redressal process of suspended Micro and Small Enterprises (MSE) Units;
- (c) the number of incidents of non-working or hang-up of GeM portal reported during last three years; and
- (d) whether any complaints of corruption through GeM portal have been received and if so, the actions taken thereon?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY
(SMT. ANUPRIYA PATEL)

- (a):
- (i) A Managed Service Provider (MSP) was appointed in September 2017 for Design, Development, Implementation, Operation & Maintenance of Government e-Marketplace (GeM) portal.
 - (ii) Selection of MSP was done through an open tender process.
 - (iii) Estimated value of the awarded Contract was INR 795.5 Cr during the contract period of 5 years.
 - (iv) The Scope of Work of the MSP as per the contract included following:
 - i) Takeover and transition of the then existing system including defining transition framework, transition process, transition road map, operation & maintenance, and upgradation of existing GeM application etc.
 - ii) Implementation of GeM Solution including application design, development, & implementation of envisaged GeM System; cloud provisioning & commissioning etc.
 - iii) Business Services including seller & buyer management, product & service management, purchase order & contract management, catalogue management, marketing & promotions etc.
 - (v) As per the contract the MSP is paid based on the actual value of Orders placed through GeM portal at following rates:

- a. MSP is paid @ 0.194% of the total value of orders placed (referred to as P Value in the contract).
- b. All orders with value \geq Rs 100 Cr. are taken as fixed/capped at Rs. 100 Cr.
- c. For all orders where the Buyer as well as the Seller are CPSEs, zero payout is considered.
- (vi) The above rate of 0.194% is not fixed but keeps on reducing with increasing order value in the financial year. The P value is subject to a sliding scale as per the following table.

Slab #	Slab for a year (INR Cr)	Grading % of P Value
Slab-1	0 to 50,000	100 %
Slab-2	50,000 to 1,00,000	80 %
Slab-3	1,00,000 to 1,50,000	70 %
Slab-4	1,50,000 to 2,00,000	60 %
Slab-5	2,00,000 to 2,50,000	50 %

- (vii) As against an estimated payout of INR 795.5 crore, details of amount paid to MSP (in INR Crore) during last three years (as per audited financial statements of GeM SPV) are as under:

Financial Year	Gross merchandise value (Order Value) in INR Crore	Payout to MSP in INR Crore
2019-20	22,989	10.25
2020-21	38,573	20.35
2021-22	1,06,547	82.88

- (b):** This is done as per Incident Management Policy of GeM. A copy of the policy is available on GeM portal at the following link –

https://assets-bg.gem.gov.in/resources/upload/shared_doc/updated-im-policy-effective-1st-july23_1688455836.pdf

- (c):** The total number of critical service glitches during business hours (9AM – 9PM) in the last 3 years were 155. This may be seen in the context of the fact that in the current financial year, average order value per day is Rs. 653.90 Crore, average no. of orders per day is 12,745 and average no. of Bid/RA per day is 2,630. Uptime of GeM portal during 2022 was 99.93%.

- (d):** The number of complaints referred / received by GeM vigilance unit during last one year (i.e. July '2022 to June '2023) is 54. The majority of complaints, received through post and emails, were by Sellers against Buyers. After examination at GeM end, GeM observations in these cases are being sent to the corresponding Chief Vigilance Officer / Head of Department of the Buyer Organization for further examination / investigation and / or action(s) as deemed fit at their end.
