

Ministry of Communications and Information Technology Department of
Electronics and Information Technology

Template for inclusion of the policy provision regarding preference to domestically manufactured electronic products in Government procurement in the procurement tenders by Ministries/Departments

- Purchaser reserves the right for providing preference to domestically manufactured electronic products in terms of the Department of Electronics and Information Technology (DeitY) Notification No. _____ dated _____ read with Notification No. _____ dated _____ and Guidelines issued thereunder through Notification No. _____ dated _____. A copy of the aforesaid Notifications/Guidelines can be downloaded from DeitY website i.e. URL www.deity.gov.in/esdm. Purchase preference for domestic manufacturer, methodology of its implementation, value addition to be achieved by domestic manufacturers, self-certification, and compliance and monitoring shall be as per the aforesaid Guidelines/Notifications. The Guidelines may be treated as an integral part of the tender documents.
- The modalities through which the preference for Domestically Manufactured Electronic Products (DMEPs) shall be operated are as follows:
 - The electronic products for which preference will be provided to domestic manufacturers shall be
 - The quantity of procurement for which preference will be provided to domestic manufactures shall be X% of the total tendered quantity.
 - Percentage of domestic value addition which qualifies the electronic product i.e..... to be classified as domestically manufactured shall be Y% for the year 20__-__.
 - The preference to DMEP shall be subject to meeting technical specifications and matching LI price.
- Domestic manufacturers are required to indicate the domestic value addition in terms of BoM for the quoted product, in terms of aforesaid guidelines, in their bid in the following format:

Format for Domestic Value Addition in terms of Guidelines issued for procurement of notified electronic products by Government

Item No.	Item Description	Manufacturer / Supplier	Country of Origin	Value	Domestic Value Addition in Percentage
1.					
2.					

- Bidders, claiming to bid in the status of domestic manufacturer, are required to give an undertaking in the format as given as Form 1 of the guidelines No.----- dated---. Furnishing of false information on this account shall attract penal provisions as per Guidelines/ Notification.
- Procedure for award of contracts involving procurement from domestic manufacturers:

“For each electronic product proposed to be procured, among all technically qualified bids, the lowest quoted price will be termed as L1 and the rest of the bids shall be ranked in ascending order of price quoted, as L2, L3, L4 and so on. If L1 bid is of a domestic manufacturer, the said bidder will be awarded full value of the order. If L1 bid is not from a domestic manufacturer, the value of the order awarded to L1 bidder will be the balance of procurement value after reserving specified percentage of the total value of the order for the eligible domestic manufacturer. Thereafter, the lowest bidder among the domestic manufacturers, whether L2, L3, L4 or higher, will be invited to match the L1 bid in order to secure the procurement value of the order earmarked for the domestic manufacturer. In case first eligible bidder (i.e. domestic manufacturer) fails to match L1 bid, the bidder (i.e. domestic manufacturer) with next higher bid will be invited to match L1 bid and so on. However, the procuring agency may choose to divide the order amongst more than one successful bidder as long as all such bidders match L1 and the criteria for allocating the tender quantity amongst a number of successful bidders is clearly articulated in the tender document itself. In case all eligible domestic manufacturers fail to match the L1 bid, the actual bidder holding L1 bid will secure the order for full procurement value”. Only those domestic manufacturers whose bids are within 20% of the L1bid would be allowed an opportunity to match L1 bid.

- The attention of the procuring agencies is drawn to the following clause in the Guidelines:

“5.4 The tender conditions would ensure that domestically manufactured electronic products are encouraged and are not subjected to restrictive product specifications or mandatory requirement of prior experience. The procuring agency may also rationally identify and evaluate predatory pricing by any bidder. However procuring Department or Agency may incorporate such stipulations as may be considered necessary to satisfy themselves of the security, production capability and product quality of the domestic manufacturer.”

- In case of turnkey/ system-integration projects, eligibility of a bidder as a domestic manufacturer would be determined on the domestic value addition calculated only for the value of notified DMEPs i.eforming part of the turnkey/system-integration project and not on the value of whole project.

