

Draft Public Procurement Bill, 2011 ; Comments and Suggestions Sought by 24th December, 2011

Currently there is no overarching legislation governing public procurement by the Central Government and Central Public Sector Enterprises (CPSEs). The General Financial Rules, 2005 govern procurements made by the Central Government. Some Ministries/ Departments have specific Procedures/ Manuals to supplement these Rules. Procurements by CPSEs are governed by their own Manuals/ Procedures.

In pursuance of the recommendations of the Committee on Public Procurement headed by Shri Vinod Dhall and the decisions thereon of the Group of Ministers constituted to consider measures to tackle corruption and ensure transparency, as well as the announcement in the Prime Minister's Independence Day address regarding the introduction of a Public Procurement Bill, the Department of Expenditure has prepared a draft Bill called 'The Public Procurement Bill, 2011'. A Drafting Committee has also been constituted to carry out wide consultation with stakeholders on the draft Bill and to revise it on the basis of suggestions received.

The Bill is intended to regulate public procurement by all Ministries and Departments of the Central Government, Central Public Sector Enterprises (CPSEs), autonomous and statutory bodies controlled by the Central Government and other procuring entities. The objectives of the Bill are to ensure transparency, fair and equitable treatment of bidders, promote competition and enhance efficiency and economy in the procurement process. The Bill contains broad principles and will be supplemented by rules. The Bill also provides for a grievance redressal mechanism and for penalties for offences under the Bill.

The Draft Public Procurement Bill has been placed on the website of the Finance Ministry (www.finmin.nic.in) for inviting comments and suggestions. Comments have been sought by 24th December 2011.