

F.No.G-38011/3/2023-B&F
Government of India
Ministry of Panchayati Raj
(Integrated Finance Division)

11th Floor, Jeevan Prakash Building ,
25 Kasturba Gandhi Marg, New Delhi – 110001
New Delhi

Dated 28th March, 2024

OFFICE MEMORANDUM

Subject: Following General Financial Rules 2017 (GFR 2017) for procurement of goods, services and consultancy in Ministries/Departments.

GFR 2017, inter alia, prescribes Rules for procurement of goods, services and consultancy which are applicable to all Ministries/Departments.

2. Rule 173 specifies that all government purchases should be made in a transparent, competitive and fair manner, to secure best value for money in order to ensure transparency, competition, economy, efficiency, accountability and elimination of arbitrariness in the procurement process. This also enables the prospective bidders to formulate and send their competitive bids with confidence.
3. Instances of such proposals seeking concurrences from the IFD have been noticed where the Programme Divisions (PDs) resort to Single Source Selection/Direct Selection for procurement of goods, services and consultancy without following open bidding process. Selection of Consultants / Service Providers etc through single source selection/ direct negotiations does not provide the benefits of competition with regard to quality and costs, lacks transparency in selection and could encourage unacceptable practices.
4. Powers of procurement on single source selection must be severely restricted. Attention is invited to Rule 194 dealing with single source selection, which can be resorted only in exceptional circumstance where it is inescapable over competitive selections such as tasks that represent a natural continuation of previous work carried out by the firm, emergency situations like natural disasters, situations where timely completion of the assignment is of utmost importance etc, situations where execution of the assignment may involve use of proprietary techniques or only one consultant has requisite expertise. In such a case, Procuring Entity / PD should ensure that Consultant/Service Provider has the requisite qualification and experience to undertake the assignment at reasonable prices and in consistent with market rates for tasks of a similar nature and; should give a full justification and take approval of the competent authority.
5. Hence, in the light of Rule 173 and other relevant Rules under GFR 2017 in the subject-matter, it is advisable to all PDs to follow relevant Rules and procedures in true spirit of GFR 2017 for procurement / consultancy proposals by inviting bids through open tender process/competitive process.
6. This issues with the approval of the Financial Adviser, RD and PR.


(Chayanika Chatterjee)
Sr. Accounts Officer (B&F)

To

All Joint Secretaries/EA, MoPR
All Directors/Deputy Secretaries, MoPR
All Under Secretaries/Deputy Director, MoPR
All Staff/Officials in MoPR

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- (i) PPS to SPR
- (ii) PPS to AS, MoPR