

**DIRECTORATE OF LOCAL FUND AUDIT, ODISHA**  
**TREASURY AND ACCOUNTS BHAWAN, UNIT -III,**  
**KHARABEL NAGAR, BHUBANESWAR**  
**Ph. (0674) 2391704, e-mail ID-dirlfaodisha@gmail.com**

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**DLFA- HE-I-59/2025**

Memo No 2055 /DLFA

dt 23.04.25

Copy along with copy of letter No. 11534/F dt.10.04.2025 of Govt. of Odisha, Finance Department along with the enclosures forwarded to all DAOS,LFA/A.O LFA,BBSR for information and necessary action.

They are requested to take necessary action as suggested /advised by Principal Secretary to Govt. Finance Department to adhere to " Odisha Procurement Preference policy for MSMES 2023" while making procurement of goods through GeM.

  
Joint Director

Memo No 2056 /DLFA

dt 23.04.25

Copy along with copy of letter No. 11534/F dt.10.04.2025 of Govt. of Odisha, Finance Department forwarded to ALFA section of this Office for information and necessary action.

  
Joint Director

DY No - 3354 / 226  
15.4.25

ORWA NO - 3198 / 15.04.25



GOVERNMENT OF ODISHA  
FINANCE DEPARTMENT

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No. 11534 /F., Date 10.04.2025  
FIN-COD-MISC-0007-2018

OFFICE MEMORANDUM

Sub: Procurement of Goods from Micro and Small Manufacturing Enterprises of Odisha through Government e-Marketplace (GeM) – Adherence to "Odisha Procurement Preference Policy for MSMEs 2023" - Regarding

In this regard, following advisory/guideline is hereby issued for State Government procurement entities to adhere to "Odisha Procurement Preference Policy for MSMEs 2023" while making procurement of goods through GeM.

(A) Procurement from OSMEs having rate contract

Procurement of goods from OSMEs having rate contract shall be made outside GeM as per "Odisha Procurement Preference Policy for Micro and Small Manufacturing Enterprises, 2023", and as amended from time to time.

(B) Procurement from exclusive list

Goods enlisted under Exclusive List of the said Policy, can be procured through GeM by reserving the entire contract for OSME. During creation of bid, procuring entity shall clearly define the eligibility of OSMEs and Odisha Start-ups under "Buyer added Bid Specific Additional Terms and Conditions (ATC)" so that there is adequate scope for OSMEs and Odisha Start-ups to participate in such bids. At the technical evaluation stage, bids received from non-OSMEs shall be rejected by the procuring entity.

(C) Price and Purchase Preference to OSMEs in Open tender

**(i) Price Preference:** If an OSME supplier's offer remains within the defined limit, i.e., (L1 + 10%) range, then he/she will get order to supply 25% of the procurement quantity at his/her bid rate (not at L1 rate) and the L1 bidder will get order to supply 75% of the procurement quantity at L1 rate. Since executing the supply order simultaneously at two rates is not feasible on GeM, the buyer shall place supply order for 25% of the quantity to the OSME bidder at his/her rate, outside GeM and supply order

Pls circulate amongst  
upload in  
ALFA  
S. Mohanty  
Asst  
Dy. Secy  
15.04.25



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for remaining 75% of the quantity to L1 bidder at L1 rate on GeM as per Bid Specific Additional Terms and Conditions (ATC).

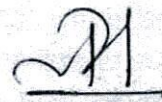
**(ii) Purchase Preference:** If an OSME supplier's offer exceeds the defined limit, i.e., (L1 + 10%) range, then he/she will get order to supply 15% of the procurement quantity at L1 rate and L1 bidder will get order to supply 85% of the procurement quantity at L1 rate. Accordingly, the buyer shall place supply order for 15% of the quantity at L1 rate to the eligible OSME outside GeM and shall place supply order for remaining 85% of the quantity to L1 bidder at L1 rate on GeM as per Bid Specific Additional Terms and Conditions (ATC).

(D) Further, all exemptions / relaxations relating to tender paper cost, EMD, Performance Security, years of experience and annual turnover, as provided to OSMEs under the said Policy, will be incorporated into "Buyer added Bid Specific Additional Terms and Conditions (ATC)" by procuring entities while floating the bid on GeM platform to ensure OSMEs get these Policy benefits.

2. A detailed SOP in this regard is enclosed herewith in Annexure-A.

3. This will be effective from the date of notification.

By order of the Governor

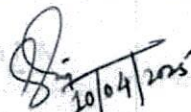


Principal Secretary to Government 10.04.2018



Memo No. 11535 /F.,Date 10.04.2025

Copy forwarded to P.S. to Hon'ble Chief Minister for kind information of Hon'ble Chief Minister.

  
10/04/2025  
Under Secretary to Government

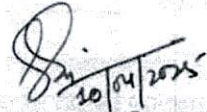
Memo No. 11536 /F.,Date 10.04.2025

Copy forwarded to OSD to Chief Secretary / OSD to DC-cum-ACS to Government / P.S. to Principal Secretary, Finance Department for kind information of Chief Secretary / DC-cum-ACS / Principal Secretary, Finance Department.

  
10/04/2025  
Under Secretary to Government

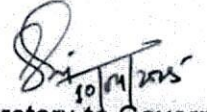
Memo No. 11537 /F.,Date 10.04.2025

Copy forwarded to P.S. to Additional Chief Secretary to Government/ P.S. to Principal Secretary to Government/ P.S. to Commissioner-cum-Secretary to Government/ P.S. to Secretary to Government (All Departments) for kind information of Additional Chief Secretary to Government/ Principal Secretary to Government/ Commissioner-cum-Secretary to Government/ Secretary to Government (All Departments).

  
10/04/2025  
Under Secretary to Government

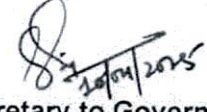
Memo No. 11538 /F.,Date 10.04.2025

Copy forwarded to Secretary, OLA / Accountant General (A & E), Odisha, Bhubaneswar / Accountant General (G & SSA), Odisha, Bhubaneswar / Accountant, General (E & RSA), Odisha, Bhubaneswar / Deputy Accountant General (Works), Odisha, Puri / Advocate General, Odisha, Cuttack / All Financial Advisors / All Assistant Financial Advisors / Director, Gopabandhu Academy of Administration, Bhubaneswar / Principal, Short Hand and Type Writing Institute, Bhubaneswar for information and necessary action.

  
10/04/2025  
Under Secretary to Government

Memo No. 11539 /F.,Date 10.04.2025

Copy forwarded to All Heads of Departments / All Revenue Divisional Commissioners / All Collectors / All SPs / All Financial Advisors / All Assistant Financial Advisors / All Treasury Officers / All Special Treasury Officers / All Sub-Treasury Officers for information and necessary action.

  
10/04/2025  
Under Secretary to Government

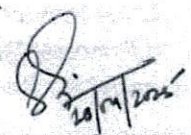


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Memo No. 11540 /F.,

Date 10.04.2025

Copy forwarded to Commissionerate of CT & GST, Odisha / Directorate of Treasuries & Inspection, Odisha / Odisha Sales Tax Tribunal / Directorate of Local Fund Audit, Odisha / Controller of Accounts, Odisha / Madhusudan Das Regional Academy of Financial Management, Odisha for information and necessary action.

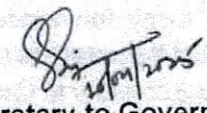


Under Secretary to Government

Memo No. 11541 /F.,

Date 10.04.2025

Copy forwarded to all Officers / all Branches of Finance Department for information and necessary action.



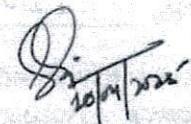
Under Secretary to Government

Memo No. 11542 /F.,

Date 10.04.2025

Copy forwarded to Shri Tapan Kumar Pattanaik, Sub-Nodal Officer (E-Gazette), FID, Finance Department for information and necessary action.

It is requested to hoist this Office Memorandum in the website of Finance Department (<https://finance.odisha.gov.in/>).



Under Secretary to Government



**Annexure-A**

**Standard Operating Procedure (SOP) to facilitate provisions of OPPP for MSMEs/ OSMEs, 2023 in the GeM Portal**

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**(1) EXEMPTIONS OF YEARS OF EXPERIENCE AND TURNOVER TO MSMEs / OSMEs**

During Bid Creation Stage, in **Bid Details** section of Bid (3<sup>rd</sup> Stage of the Bid), please click "Yes" against

- (i) Do You Want To Give Exemptions To Verified MSMEs
- &
- (ii) Do You Want To Give Exemptions To Verified Startups

and from the drop down select Years of Experience and Turnover

The screenshot of GeM Portal will appear as given below.

Do You Want To Give Exemption To Verified MSE? ⓘ	<input checked="" type="radio"/> Yes	<input type="radio"/> No	Years of Experience, Turno
Do You Want To Give Exemption To Verified Startups? ⓘ	<input checked="" type="radio"/> Yes	<input type="radio"/> No	Years of Experience, Turno
Do You Want To Restrict Participation To CPSE Seller Only? * ⓘ	<input type="radio"/> Yes	<input checked="" type="radio"/> No	Years of Experience ✓
			Turnover ✓

**(2) EXEMPTIONS OF EMD TO VERIFIED MSMEs / OSMEs**

In GeM portal, EMD requirement is linked to Bid documents as a whole and not to specific category of bidders. Hence, the option of EMD in GeM can be either made applicable to all categories of participants or exempted for all.

During Bid Creation Stage, in **EMD and Performance Security Section** (4<sup>th</sup> Stage of the Bid) of the Bid, please Click **No** against **EMD Required** as given below if **the bid is reserved only for OSMEs**. Otherwise click **Yes**, if the bid is open to participation from both non-MSMEs and MSMEs. Exemption of EMD for MSMEs shall be scrutinized at the stage of offline technical evaluation with reference to provisions of "Odisha Procurement Preference Policy (OPP) for Micro and Small Manufacturing Enterprises, 2023" and OGFR, 2023.

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The screenshot of GeM Portal will appear as given below.

**EMD/Performance Security (ePBG) Details**

Quantity: 10000      Reference Price (In INR): 1,700,000.00/-

**EMD**

EMD Required       Yes       No

1. EMD is allowed only for Bid Value greater than 5 Lakh (₹).  
2. The role of Advisory Bank is to verify the SFMS of the EMD and ePBG during bid verification of the seller. So, you are advised to select any bank and seller may chose any bank account for ePBG and EMD.  
3. Department of Expenditure has issued Instructions not to insist on EMD. GeM Has enabled taking Bid Securing Declaration as per DoE OM. Please ensure compliance of DoE OM 12.11.2020 (View Order)

**(3) RESERVING A BID FOR MSMEs/OSMEs**

(a) During Bid Creation Stage, in **EMD and Performance Security Section** (4<sup>th</sup> Stage of the Bid) of the Bid, please Click **"No"** against EMD Required since the bid is reserved only for MSMEs/OSMEs.

The screen of GeM Portal will appear as given below.

**EMD/Performance Security (ePBG) Details**

Quantity: 10000      Reference Price (In INR): 1,700,000.00/-

**EMD**

EMD Required       Yes       No

1. EMD is allowed only for Bid Value greater than 5 Lakh (₹).  
2. The role of Advisory Bank is to verify the SFMS of the EMD and ePBG during bid verification of the seller. So, you are advised to select any bank and seller may chose any bank account for ePBG and EMD.  
3. Department of Expenditure has issued instructions not to insist on EMD. GeM Has enabled taking Bid Securing Declaration as per DoE OM. Please ensure compliance of DoE OM 12.11.2020 (View Order)

(b) During Bid Creation Stage in "Splitting/MSE/MII" (5<sup>th</sup> Stage of the bid), please click **"Yes"** against the following option.

Do you want to Reserve this procurement for MSE OEMs?      **Yes**

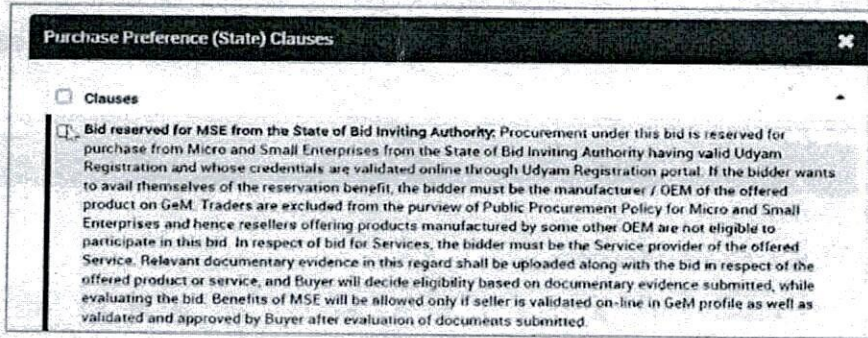
The screen of GeM Portal will appear as given below.

Do you want to reserve this procurement for MSE OEMs?       Yes       No

Do you want to provide Purchase Preference to MSE OEMs?       Yes       No

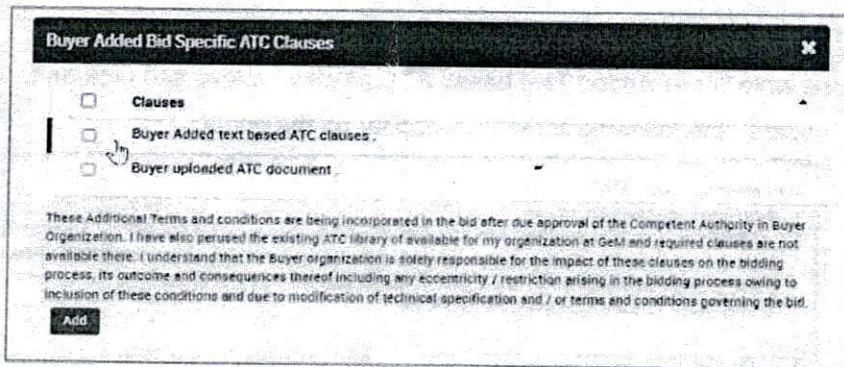


(c) Select (Tick) the ATC Clause "Bid is reserved for MSEs from the State of Bid Inviting Authority" in "Terms and Conditions" Section of the Bid.

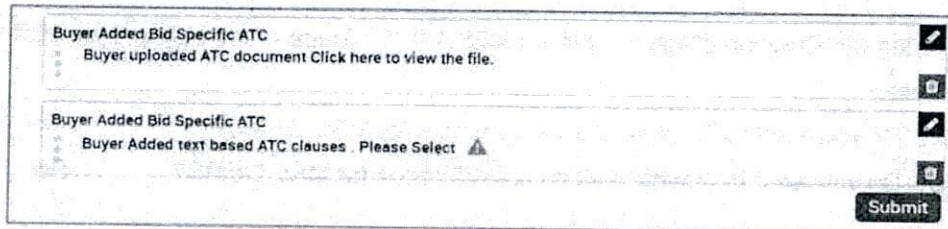


(d) Define MSMEs/Start ups as per the provisions of OGFR in "Buyer Added Bid Specific ATC Clauses" either through Buyer Added Text based ATC clauses or Buyer uploaded ATC Document in PDF format.

The screen of GeM Portal will appear as given below.



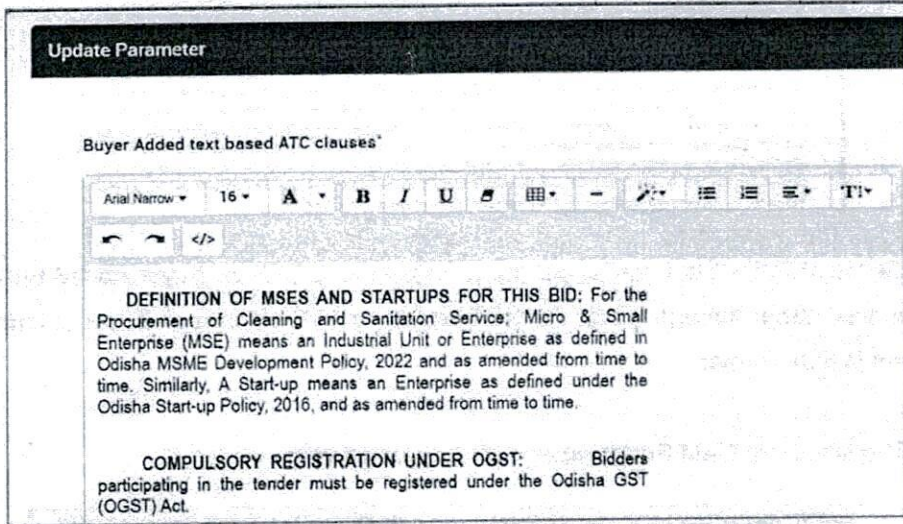
The Buyer can add either Text based ATC or upload ATC document or both in "Buyer Added Bid Specific ATC Clauses".



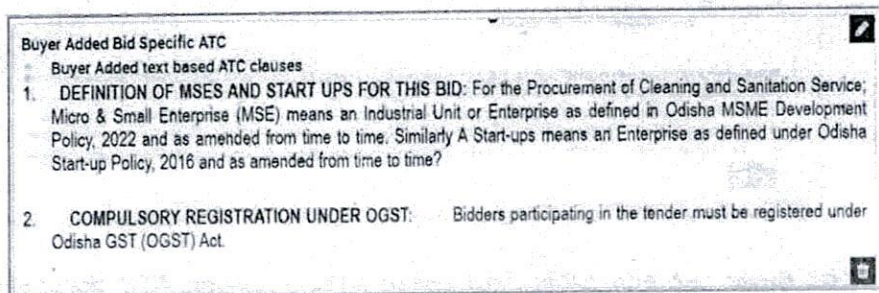


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The Buyer can now edit the clause(s) as per requirement. An illustration of defining MSMEs and Start Ups for the Bid through Buyer Added Text based ATC clause is given below.



Please write Buyer Added Text based ATC as given above and click on Update. After clicking on "update", the following screen will appear on the portal.



**(4) PURCHASE PREFERENCE TO MSMEs/OSMEs:**

(A) During Bid Creation Stage in Splitting/MSE/MII (5<sup>th</sup> Stage of the bid), please click as shown below.

- (a) Do you want to Reserve this procurement for MSE OEMS? : **No**
- (b) Do you want to provide Purchase Preference for MSE OEMS? : **No**

The screen of GeM Portal will appear as given below.

Do you want to reserve this procurement for MSE OEMs?	<input type="radio"/> Yes	<input checked="" type="radio"/> No
Do you want to provide Purchase Preference to MSE OEMs?	<input type="radio"/> Yes	<input checked="" type="radio"/> No



If Yes is clicked against "Do you want to provide Purchase Preference for MSE OEMs" GeM Contract Order cannot be placed after discovery of L1 until and unless Price Match Request with L1 supplier is sent to MSMEs/OSMEs sellers whose financial offer is within a range of L1+10%. In this scenario, following difficulties may arise.

(i) The GeM portal will not allow to move ahead until and unless the seller (s) whose financial offer happens to be within a range of L1+10% is/are sent a Price Match Request in the GeM portal.

(ii) Even if the Price Match Request is sent to the sellers whose financial offer is within a range of L1+10%, and seller (s) matches his/her/their price with L1, the contract order will be generated at L1 price and not at L2 Price, defeating the very purpose of "OPPP for MSME, 2023".

(iii) Further, the OSME supplier who receives the Price Match Request, may challenge the buyer's request on GeM Portal to match his/her price with that of L1, citing provisions of Price Preference under OPPP for MSME, 2023.

Hence, in order to avoid the above difficulties, the buyer needs to click "No" against above given clauses (a) and (b), so that order for 75% of contract value can be created for L1 supplier if he / she is a non-OSME supplier and 100% of the contract value if he/she is an OSME supplier by exercising the Option Clause as the case may be.

In the event of the L1 happens to be a Non-OSME supplier, 75% of the contract order to be generated in the GeM portal for L1 supplier and supply order for 25% of the contract value is to be issued to appropriate OSMEs suppliers in an offline mode.

**Note:** As there is no Price preference option available on GeM, price preference shall be executed offline after discovery of price in the GeM bidding process and supply order is to be issued offline to the lowest offering OSME bidder(s) at his/her offered rate as per the OPPP for MSME, 2023.

(B) Define MSMEs / Start-ups as per provisions under OGFR, 2023 in "Buyer Added Bid Specific ATC Clauses" either through Buyer Added Text based ATC clauses/Buyer uploaded ATC Document.

**Buyer Added Bid Specific ATC Clauses**

- Clauses
- Buyer Added text based ATC clauses
- Buyer uploaded ATC document

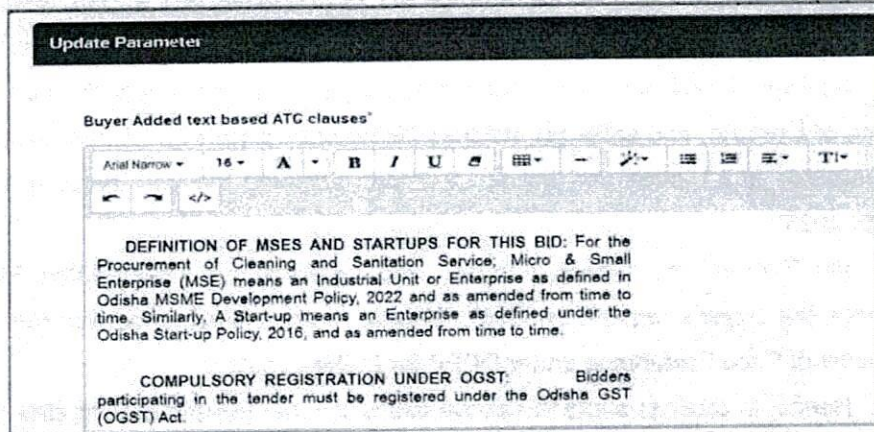
These Additional Terms and conditions are being incorporated in the bid after due approval of the Competent Authority in Buyer Organization. I have also perused the existing ATC library of available for my organization at GeM and required clauses are not available there. I understand that the Buyer organization is solely responsible for the impact of these clauses on the bidding process, its outcome and consequences thereof including any eccentricity / restriction arising in the bidding process owing to inclusion of these conditions and due to modification of technical specification and / or terms and conditions governing the bid.

**Add**

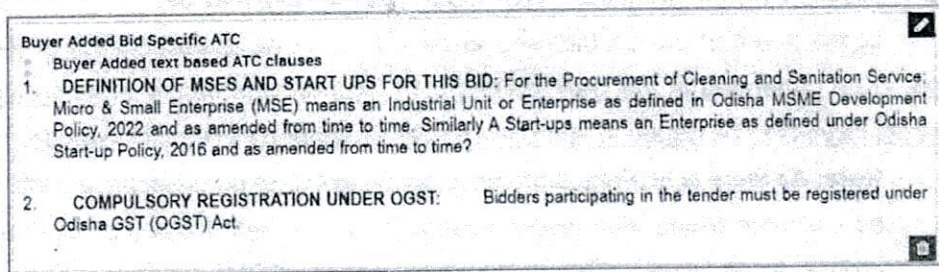


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(C) An illustration of defining MSMEs and Start Ups for this Bid through Buyer Added Text based ATC clauses is given below.



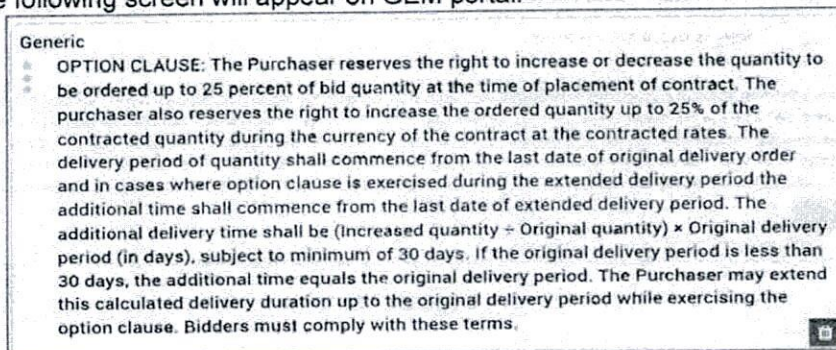
Please write Buyer Added Text based ATC as given above and click on Update, after which the following screen will appear on the portal.



(D) Please exercise the **OPTION CLAUSE** by selecting from the ATC library in Terms and Conditions of the bid.

*"OPTION CLAUSE: The Purchaser reserves the right to increase or decrease the quantity to be ordered up to 25 percent of bid quantity at the time of placement of contract. The purchaser also reserves the right to increase the ordered quantity by up to 25% of the contracted quantity during the currency of the contract at the contracted rates. Bidders are bound to accept the orders accordingly."*

The following screen will appear on GEM portal.



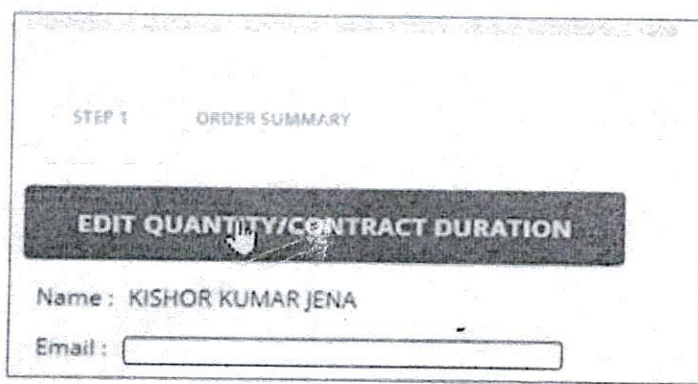


(E) Before awarding the contract, please amend/edit the quantity to 75% on the GeM Portal and generate the contract by clicking on the "EDIT QUANTITY".

This edit Quantity/Amend Quantity link will appear on the portal before creation of the order if only the option clause has been exercised during the bid preparation stage. Otherwise, this facility will not be available if not exercised. Hence, it is of paramount importance to exercise the option clause during preparation of an online GeM bid on GeM Portal.

**Note:** *The order can be increased or decreased up to 25% of the contract value before creation of the order in GeM but it can only be increased after the placement of the supply order during the validity of a contract order. Contract Value cannot be decreased once the contract order is generated in the Portal.*

The following screen will appear on GEM portal.



Order will be created for 75% of the contract value in the GeM Portal. Order for the remaining 25% of the contract value is to be issued in an offline mode as per the provisions of OPPP for OSMEs.

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