

Annexure-D

Special Conditions applicable to Micro and Small Enterprises (MSEs)

1. The Public Procurement Policy on MSE, envisages certain benefits / preferential treatment to Micro and Small Enterprises (MSEs) of their participation in Govt. procurement in reference to the Railway Board's letter No. 2010/RS(G)/363/1 dated 5.7.2012 & MSE Gazette Notification No. 503 dated 23.3.12 of Govt. of India. In order to avail themselves of such benefits and preferential treatments, the MSEs must be registered with any of the following:-
 - (i) District Industries Centres
 - (ii) Khadi and Village Industries Commission
 - (iii) Khadi and Village Industries Board
 - (iv) Coir Board
 - (v) National Small Industries Corporation
 - (vi) Directorate of Handicraft and Handloom
 - (vii) Any other body specified by Ministry of MSME.
2. In pursuance of the Public Procurement Policy on MSE, it has been decided that:-
 - (i) Tender sets shall be provided free of cost to MSEs registered with the above agencies for the item tendered.
 - (ii) MSEs registered with the above agencies for the item tendered will be exempted from payment of Earnest Money.
 - (iii) (a) In tenders, participating MSEs quoting a price within price band of L1 + 15% shall be allowed to supply a portion of the requirement by bringing down their price to L1 price in a situation where L1 price is from someone other than a MSE and such MSEs can be together ordered upto 20% of the total tendered value.
(b) 20% out of this 20% (i.e., overall 4%) of procurement of goods and services will be from MSEs owned by Scheduled Casts or Schedules Tribes (SC/ST) entrepreneurs. In the event of failure of such MSEs to participate in the tender process or meet tender requirements and L1 price, 4% sub-target of procurement earmarked from MSEs owned by SC/ST entrepreneurs shall be met from other MSEs.
3. (I) MSEs who are interested in availing themselves of these benefits will enclose with their offer the proof of their being MSE registered with any of the agencies mentioned in the notification of Ministry of MSMEs as specified in para(1) above.
 - (II) The MSEs must also indicate the terminal validity date of their registration.
 - (III) Such Micro / Small Enterprises registered vendors should also states the sub-category to which they belong and submit documentary proof for the same. The sub-categories;
 - (a) Enterprises owned by Scheduled Castes.
 - (b) Enterprises owned by Scheduled Tribes.
 - (c) Enterprises owned by other than above two categories.

Failing (I), (II) & (III) above, such offers will not be liable for consideration of benefits detailed in MSE notification of Government of India dated 23.3.12".

This supersedes the existing policy of price preference and benefits to Small Scale Industries being followed till now.