

Original Research Article

Implementation of government e-marketplace in a tertiary care hospital of North India: advantages and challenges

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ABSTRACT

Background: The procurement in public sector in India was revolutionized by Government e marketplace (GeM). This study was undertaken to elaborate the implementation process, identify advantages and challenges in a tertiary care institute of North India.

Methods: The process of implementation of GeM was studied by reviewing the orders, records. Data related to items procured from year 2017 to 2019 was retrieved.

Results: The procurement through GeM portal has steadily increased through the year. The portal offers many advantages like simplification of procurement, paperless, time bound, transparent system with minimal human interface. Innovative approaches like GeM helpdesk, GeMmy are used. There could be better provisions for stringent quality assurance, rate contract or extended warranty or annual and comprehensive maintenance contracts on GeM..

Conclusions: GeM portal is a relatively novel dynamic concept in the country and continuously evolving with a mandate to revolutionize public procurement.

Keywords: Public procurement, Government e-marketplace, Transparent, Dynamic

INTRODUCTION

Public procurement means acquisition by either using public funds or any other source of funds of goods, works or services or any combination thereof, whether directly or through an agency.¹ Public procurement utilizes a substantial portion of taxpayers' money. Governments are expected to follow strict procedures to ensure that the process is fair, efficient, transparent and minimizes wastage of public resources. In 2013, the public procurement was around 20-30 percent of the GDP in India.² Considering such a large-scale public expenditure on procurement, streamlining the procurement process in the country has become imperative. The procurement

regime in the country appears to be fragmented and inconsistent in terms of rules, regulations, and procedures.³

The procurement in public sector in India was revolutionized by the launch of Government-e-marketplace (GeM) on 9th August, 2016 by the Ministry of Commerce, Government of India which is also in sync with the vision of Digital India. Director General of Supplies and Goods (DGS and D) has developed GeM portal for procurement of both Products and Services.⁴ Procurement on GeM has been made Mandatory for products and services available on the website vide Rule 149, GFR 2017.⁵ Procurement in hospitals has its own unique features and challenges. So this study was

undertaken to elaborate the implementation process, identify the advantages offered by implementation of GeM and challenges faced thereof in a leading public sector hospital of north India.

METHODS

This was a retrospective observational study done at Hospital purchase division (HPD) of a 2000 bedded tertiary care institute of North India from 2017 to 2019.

The process of implementation of GeM in the institute was studied by reviewing the orders, records and documents from the Hospital Purchase Division and Medical Superintendent's office. Data related to items procured and budget spent from year 2017 to 2019 was retrieved from the Hospital Purchase Division. The advantages and challenges faced during the implementation were enumerated on the basis of authors' experiences. Percentage was calculated.

RESULTS

In pursuance of the orders of Government of India, it was decided by the competent authority to implement procurement through GeM portal in the institute. Department of Hospital Administration made Standard Operating procedures laying down the process to be followed in the procurement through GeM. The Medical Superintendent of the institute was nominated as the Primary user. The heads of all the procurement divisions, namely Hospital Purchase Division, Engineering Department, Research cell and Equipment Purchase along with all the heads of the departments were nominated as secondary users. Till December 2019, 91 people are registered as secondary users i.e. either or both secondary buyer and consignee and PAO under 50

divisions. Nearly 1400 orders have been placed of total value of approximately Rupees 25 crores.

Under the HPD, officer in charge (buyer), store officer (consignee) and account officer (payment authority) had direct role based participation in procurement process. Till the end of year 2019, a total of around 1000 orders have been made under Hospital Purchase division, Rupee 10 crores have been spent for procurement of various consumable stores items. The items procured through GeM by the HPD were broadly classified into 7 categories. Most of the purchases were under the category of surgical items including lab accessories (23%) followed by furniture (22%), computers (19%) (Figure 1).

GeM: Special features and its advantages

Easy availability and ease of purchase

A wide range of products and services are available on the online portal approved for purchase at discounted rates for government organizations. It also gives an opportunity to all prospective suppliers from a wide geographical area across the country to participate in the procurement process. The portal also aims at simplifying the procurement process by providing options of direct purchase for a certain price range (till Rs 5 lacs for the lowest bidder), thus making procurement possible at a click of a button from a selection of products. Features like bunch bidding, wherein bids of similar nature can be bunched saves the processing time of such different bids at the buyer end.

A provision for purchasing a proprietary article directly is also available after the necessary approvals as required by the GFR are uploaded.

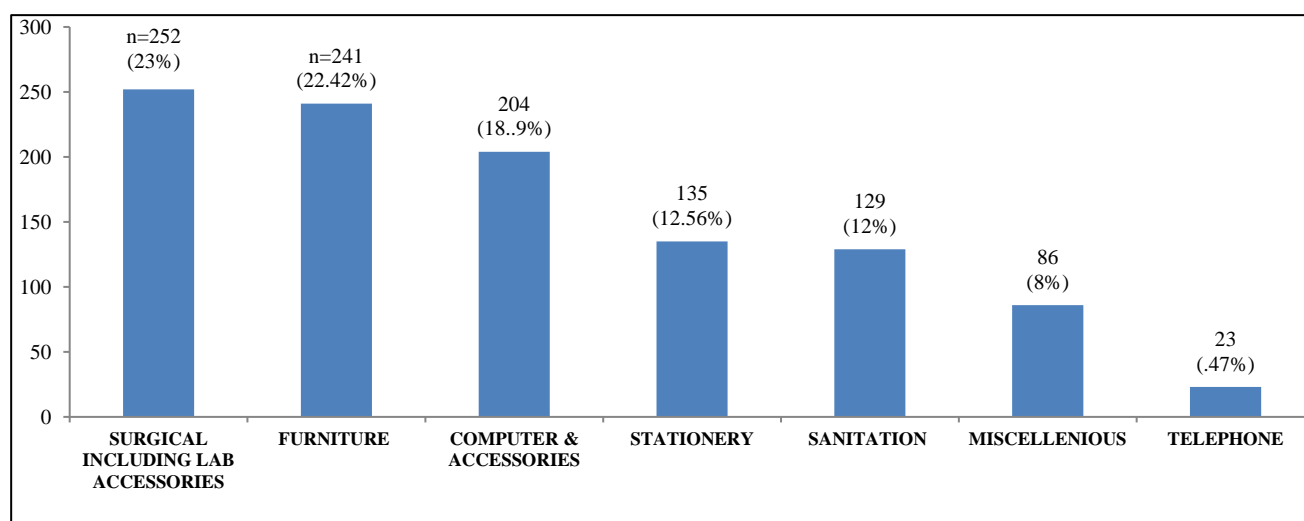


Figure 1: Store-wise distribution of articles procured through GeM.

Time bound and real time reporting

For all the options of purchases, viz direct purchase, online bidding or reverse auction all the steps of procurement namely delivery of products, receipt and inspection by the buyer organization and payment are time bound. All the time delays are displayed on the dashboard of the user. Such delays also have impact on the ratings of the buyers as well as the seller. The unique incident management system provides for the option of raising any concern at both ends regarding the delays.

Since the bidding is online, the bids are widely advertised and the time for inviting bids can be limited to as less than 5 days. The technical and financial evaluations can be done online and the total time taken from opening bids and placing an order is considerably reduced. The information related to all the steps of the procurement are conveyed real time through sms and emails to all stakeholders thereby reducing the paperwork and making the process more efficient.

Transparency and accountability

One of the main objectives of introducing GeM has been to promote transparency in the public procurement in the country. This is ensured through minimal human interface and real time information been conveyed to all the stakeholders. All these steps are summarized and available on the user-friendly dashboard of the primary user which is the reporting officer of the secondary user, thereby ensuring accountability. The retrievable data online ensures accountability at each step.

Environment friendly and eliminating paperwork

GeM enables the end to end online procurement. Paperless contracts (the possibility of entering into contracts electronically, either by means of email or using an online platform) promote a faster and wider circulation of information. All the information to all the stakeholders within and outside the organization can be shared real time and without the cumbersome paperwork of the public sector, thus making the process paperless and environment friendly. It is also cost effective as it reduces cost incurred on maintaining files and papers and related manpower.

Technical support

The GeM helpdesk is available round the clock, where all the queries related to use of the portal and products can be raised and all such queries are dealt with in timely manner, which is a useful feature. Also the GeM portal is continuously updated based on the feedback of the users. Presently third version of the portal is in use.

Continuous updation and innovative interventions like GeMmy, Gem Samwad

Interactive sessions are being conducted throughout the country for buyers and sellers to take feedback from end users and address the issues in order to realize its full potential. Further online assistance is also available in the form of a readily available help window.

*Issues and challenges**Availability of health care consumables*

A health care facility requires a wide range of products, probably no other industry would require such variety of products to be procured. Many health care equipment and consumables pertaining to healthcare used in the hospitals are not available on GeM.

The product specification filters are not user friendly. The listing is also not uniform. Similar products are available in different categories, thereby making comparison and processing of the products not possible. Discrepancy in specifications has led to delay/ cancellation of many such orders. It is however heartening to mention that queries related to product specification is being addressed by the portal.

Quality assurance

There is a need for a more stringent mechanism for quality assurance of the products available. Since for bulk purchases, bidding has to be opted, the specifications filters on the GeM should be more stringent so as to exclude inferior quality products. In absence of these features and also unavailability of the provision of sample evaluation, complaints regarding the quality have been received on various accounts. Traditionally, for certain products which have generic specifications like gloves, masks etc sample evaluation was done. Presently, in absence of provision for sample evaluation, the buyer has to rely on inspection committee for quality assessment and in case the consignment is rejected at such a terminal phase of procurement, the whole process has to be repeated again which leads to delays. Nevertheless, the facility for pre-inspection is available on portal, but the same is not practical if the order is placed at far off locations and for small amounts.

Availability of warranty/CMC/AMC clause for equipment

Various sophisticated life saving equipments are used in health care, where breakdowns need to be avoided or minimized. For this purpose, the institute has a practice to incorporate clauses for warranty and AMC for five years. Options for extended warranty AMC CAMC clauses may be looked into.

Rate contracts

There are multiple products used in a hospital with high consumption but small shelf life or limited storage capacity. For such items option of rate contracts and/or

supply in installments is not available. In such cases, purchase the whole lot at a time has other deleterious implications like storage issues. Further, there is no clarification for the quantity or frequency of purchase of such items, as repeated orders are time consuming and are at different rates and also may amount to splitting of orders.

DISCUSSION

In India an estimated 20% of GDP is spent on public procurement and it has been really challenging to manage decentralized procurement of commonly used items for quite a long time. Small suppliers find it difficult to reach buyers in other parts of the country without intermediaries, pushing up their costs at the same time. Small transactions are vulnerable to malpractices also as it is difficult to monitor them. In order to make system more efficient, transparent and competitive way was the need of hour and GeM is supposed to revolutionize public procurement in India.³

E-procurement in public sector is already established in various countries like Singapore, Ukraine, European Union and has grown rapidly in recent years improving efficiency, transparency and saved costs. In India, till mid of 2020, GeM has 1013141 products and 563642 sellers and service providers have made a transaction worth 65,228 Cr (INR).⁶ With lot of challenges with its own advantages and disadvantages like lack of skilled expertise in procurement, this E-procurement model is part of Digital India Movement of Govt. of India can achieve its goal with an integrated approach starting including all the stakeholders. In healthcare, demanding timely supply of drugs, good quality of medical supplies and equipment, holistic improvements in the system along with managerial skills would definitely lead to successful implementation of GeM in the country.

CONCLUSION

GeM portal is a relatively novel concept in the country. It is indigenous and continuously evolving. It is a dynamic platform which offers many advantages. It provides end to end solution with a complete contactless, cashless and

paperless procurement system. With end user friendly features encouraging the participation of all the stakeholders like Gem Samvaad, it is expected that with time the abovesaid challenges as realized by the authors' will be addressed and continuous up-gradation will be done to make it more user friendly ensuring quality services.

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