

1. **Introduction**

Rule 149 of General Financial Rules-2017, requires GeM to certify the credentials of GeM suppliers. GeM is conceptualized as a complete online platform, where transactions are made with minimal dependence on paper documentation, inspections or physical verification. GeM utilises online validations with verified third party data bases, assessment by qualified rating agencies and continuous evaluation of performance in GeM for certifying the Vendor credentials. These are done in different levels.

- a. The Identity of the Seller, Seller Turnover, GSTN registration status, Company Registration, Udyog Aadhar registration, DPIIT Start up registration etc. are verified through online data validations at the time of registration, wherever third party domain data is available on the respective sites with which GeM has integration. Manufacturing/supply capacity of sellers are validated through Third party Vendor Assessment Agency.
- b. Reliability and performance of the resellers are continuously evaluated through GeM rating.
- c. Service providers are validated through Quality Council of India.

2. **Vendor Validation Policy**

The new Vendor Validation Policy covers three distinct aspects of vendors that are captured and validated

- A. Vendor Profile
 - B. Vendors Functional Profile
 - C. Vendor Performance in GeM
- A. The vendors profile related information, which include Personal identity, Nature of business entity, Financial and Professional status. These are validated through online integration with respective domain data base as below. Wherever third party domain data is not available, the information shall be validated by the third party assessing agency.
- a. Identity of the vendor: Online verification of AADHAAR/PAN
 - b. Name of the key person (in case of Firm/Company)- Online verification through Income Tax Return.

- c. Company Registration: Through CIN validation with MCA-21
- d. GSTN for vendors (having an annual turnover of more than Rs.20,00,000): Through GSTN data base validation.
- e. Financial status (Turnover) of the seller: Through Income Tax Return. The seller has to update turnover with latest financial year, after 15th October every year. In case entities who are exempted from Income Tax and not filing Return of Income, their turnover as declared will be accepted and vendors shall submit documentary evidence to the satisfaction of the buyer, while participating in bids, if turnover is a criteria for bid eligibility.
- f. MSME Status: Through Udyog Aadhaar
- g. Vendors who are start up: Through DPIIT database.

B. The business entity's Functional profile, with respect to the supply capacity and past experiences. GeM has engaged a third party assessment Agency (Quality Council of India-QCI) for carrying out an online Vendor Assessment. The validity of Vendor Assessment shall be 3 years. All sellers shall get fresh vendor assessment within 3 years from date of vendor assessment. QCI will be collecting Vendor Assessment fee as approved by GeM.

The seller (resellers and OEMs) assessment shall be done at two stages.

1. Seller profile- Actual physical existence of the seller, Past experience, Documentation for manufacturing/Authorisation from OEMs. Supply Capacity, other profile information which are not validated through third party database
2. Functional profile- Manufacturing process and manufacturing capacity, Quality control.

The first stage is common for all sellers. The second stage is only for OEMs.

Exemptions on this mandatory Vendor Assessment for sellers by QCI shall be granted to sellers who are having manufacturing/trading capacity verified and approved by any Government Agency. Self declared capacity will not be considered for exemption.

In case, GeM changes exemption criteria, existing exempted sellers, who are affected by the change of criteria will have to get the Vendor Assessment within 3 months of notification of such revised exemption criteria. An inclusive list of exempted sellers is provided as below.

- a. Sellers having annual turnover of Rs. 500 Crore or more, at least in one of the latest three years as captured during registration.
 - b. Central / State PSUs.
 - c. All sellers who are validated through PAN or GSTN or MCA-21 and offering products only for direct selling (Products up to the value of Rs.25,000 per unit and whose yearly turnover is not more than Rs.5,00,000. Sellers who are offering products as OEM shall not be covered under this exemption.
 - d. Sellers offering products like Artwork, handicrafts, and other such items where there is no standard manufacturing process exists. The exempted categories shall be specified by the category owner.
 - e. Sellers who are Registered Societies/ Trusts or any other bodies with Government Representation.
 - f. KVIC, WDO, Coir Board, TRIFED.
 - g. OEMs who are registered with NSIC (for the category for which registration was obtained) This exemption will be coterminous with NSIC certificate validity.
 - h. OEMs holding BIS License for the particular product category which are validated through BIS database. Normal validity for this exemption will be three years. Seller is mandated to notify GeM in case cancellation of BIS license and exemption will be withdrawn.
 - i. OEMs having Unique Certification Code (UCC) issued by DRDO/ OFB/ SITRA. This exemption will be coterminous with UCC certificate validity.
 - j. Sellers recommended for exemption for specific categories and specified validity period by any CPSE, Central and State Government Departments/ Authorities.
 - k. . Any other category of sellers as notified with the approval of CEO-GeM.
3. **Vendor Performance in GeM portal.** Once registered and validated either as an OEM or authorized re-seller, the credentials are dynamically validated based on their performance and rating on the platform. This rating establishes credential of the vendors.

3. Validation of Service Provider

Service provider credentials are fully validated by QCI. Once so validated any further updation to the profile will again be subject to pre-validation by QCI.

4. Reassessment of Sellers.

Assessed sellers shall apply for fresh assessment at least 2 months before the expiry of the validity Vendor Assessment. Sellers can also apply for fresh assessment at his choice at any time on payment of requisite fee, after receipt of new Vendor Assessment report, the old VA report will become invalid.

5. Conclusion

Any updation or change in the status of the information validated at the time of registration or third party assessment shall be enabled for updation by the vendor from time to time with online validation wherever possible.

*****END OF DOCUMENT*****

ANNEXURE- APPROVED FEE FOR VENDOR ASSESSMENT

Vendor Assessment Fee to be paid directly to Vendor Assessment Agency- QCI

1. For sellers who are OEMs – Rs.11,200 +GST
2. For Sellers who are not OEMs
 - a. Having turnover upto Rs.20,00,000- Rs.2,500 +GST
 - b. Having turnover from 20,00,001 to 1,00,00,000- Rs.5,000+GST
 - c. Having turnover above Rs.1,00,00,000- Rs.7,500+GST