



Ministry of Finance
Government of India

AIMA
ALL INDIA MANAGEMENT ASSOCIATION



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GLOBAL PROCUREMENT SUMMIT 2019

**DIGITAL DISRUPTION
& INNOVATION:
FUTURE OF PROCUREMENT**

REPORT

7-8 February, 2019 | New Delhi, India

GLOBAL PROCUREMENT SUMMIT 2019

Digital Disruption & Innovation:
Future of Procurement

7-8 February, 2019
The Lalit Hotel, New Delhi

Report

ALL INDIA MANAGEMENT ASSOCIATION

Management House, 14, Institutional Area
Lodhi Road, New Delhi 110003

Tel: +91 11 2460 5100 / 4312 8100, Fax: +91 11 2460 8503

Email: gps@aima.in, Website: www.aima.in

Global Procurement Summit 2019

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The All India Management Association (AIMA) is the apex body for management in India with over 37000 members and close to 6000 corporate /institutional members through 67 Local Management Associations affiliated to it. AIMA was formed over 60 years ago and is a non-lobbying, not for profit organisation, working closely with industry, Government, academia and students, to further the cause of the management profession in India.

AIMA makes a salutary contribution to management learning and practice in the country by offering various services in the areas of testing, distance education, skill development & training, events & conferences, research, publications, executive education and management development programmes.

The association is represented on a number of policy making bodies of the Government of India and national associations including All India Council for Technical Education (AICTE), which is the apex regulatory body for professional education in the country under the Ministry of Human Resource Development; National Board of Accreditation (NBA); Association of Indian Management Schools, Hyderabad; National Productivity Council, New Delhi.

AIMA also brings to the Indian managers, the best management practices and techniques through numerous foreign collaborations with professional bodies and institutions. AIMA is a member of the Asian Association of Management Organisations (AAMO) and works closely with several international institutions like University of California – Berkeley, USA; The World Bank; St Gallen Foundation, Switzerland; The Imperial College, UK; Horasis: The Global Visions Community, Switzerland etc in organising international conferences and management development programmes.

Global Procurement Summit 2019

Digital Disruption & Innovation: Future of Procurement

“Digital disruption is the change that occurs when new digital technologies and business models affect the value proposition of existing systems and processes.”

Like any other arena of government and businesses, rapid advancement in digital technologies are poised to transform the entire procurement and supply chain management functions. Sometimes the technological disruption is misinterpreted as negative thing for business, though in reality it is a term reflecting emergence of new innovations which may lead to the need for re-assessment and re-calibration of how we think and work.

In fact timely action taken may also lead to benefit to the business and may contribute to the success.

For the smooth transformation to happen, we need to emphasis more on implementation of such technological changes. We need to learn from the success stories and gain insight from global leaders and adopt holistic approach towards procurement transformation that focus on building high performance procurement processes and organizations. Current edition of Global Procurement Summit with the theme “Digital Disruption & Innovation: Future of Procurement” is reflection of this process.

AIMA was created with active support of Government of India and has worked tirelessly for promotion of management profession in India. AIMA is grateful to Department of Expenditure, Ministry of Finance, Government of India and World Bank for appreciating the requirement of conducting Procurement Summit of this kind in India and duly approving its request to support & join hands for conducting the event.

Targeting senior officials dealing in Procurement/Finance in State and Central Government, Embassies/Consulates, Public Sector Undertaking, Professional Associations, Private Organizations etc., the key objectives set for GPS 2019 are to facilitate the delegates to:

- Raise the value and profile of procurement function for government and businesses
- Build sustainable procurement ecosystem
- Use technology to create new procurement value proposition
- Establish a concrete role of procurement in corporate strategy
- Understand the transformation journey and road blocks
- Experience innovative procurement & data utilization

Conducted over February 7-8, 2019 at New Delhi, India, Global Procurement Summit 2019 would bring in experts in public procurement from around the world to deliberate and share their wide knowledge in following session themes:

- AI Implementation and Procurement Automation
- Procurement Strategies and Sustainability
- Risk Management Vs Agility
- Procurement Benchmarking & Assessment
- Future of Dispute Resolution in Procurement
- Turning aspirations into Reality: Success stories shared by Procurement Leaders/ CPOs

The above mentioned themes will be deliberated and the speakers will share their experiences, insights into technology,

innovative strategies, trends existing across the world etc. Recommendations coming out of these session discussion will act as a stepping stone for policy makers for reframing and drafting new policies in coming days.

On day 1, followed by the inaugural session, the program will start with plenary session with theme on AI Implementation & Procurement Automation. The session speakers will deal with the procurement digital transformation journey. Thoughts on how to use data analytics to take strategic decisions, what radical changes should be made in procurement process with AI implementation will be shared.

This session will be followed by the session on Procurement Strategies and sustainability. In this session experts will share strategies which ensure building country's capabilities to track their progress towards the goals on one hand and to ensure that the environment integrated into all aspects of sustainable development.

The last session of the day will be on "Risk Management vs. Agility." In this session experts will assess the risk exposure associated with the transformation process. In today's volatile business environment, business in general and procurement function in particular need to be agile, that can adopt quickly and efficiently to external trends and risk.

On day 2, during the summit, deliberations will be an Procurement Benchmarking and assessment. During the session views on what are the various ways and means of benchmarking and assessing the business will be dealt with. There will also be thought provoking discussion on effectiveness of alternate dispute resolution mechanism available in particular about institutional arbitration, mediation etc.

This summit will also endeavor to showcase success stories shared by procurement leaders by bringing relevant experience on platform, delegates will be able to chart steps for realizing aspiration of their organization. In this session various success stories will be honored for their contribution made in the area of procurement.

4th Global Procurement Summit 2019

Digital Disruption & Innovation: Future of Procurement

7-8 February, 2019: Hotel The Lalit, New Delhi

Day 1: Thursday; 7 February, 2019

0900 hrs onwards	Registration
1000 – 1100 hrs	Inaugural Session
	<ul style="list-style-type: none"> Lighting of the lamp
Welcome Remarks	Dr. Raj Agrawal Director, All India Management Association
Setting the Context	Vinay Sharma Director, Global Governance Practice, World Bank
Special Address	Sandeep Verma Principal Secretary, Government of Rajasthan
Inaugural Address	S Radha Chauhan Chief Executive Officer, Government e-Marketplace, Ministry of Commerce and Industry, Government of India
Release of Souvenir by Chief Guest	-Release of Summit Souvenir

1100 – 1130 hrs **Networking Break**

1130 – 1300 hrs

Plenary Session 1

Chairperson

AI Implementation and Procurement Automation

K C Jha

Addl. Chief Executive Officer, Government e-Marketplace,
Ministry of Commerce and Industry, Government of India

Panelists

Albert Njamen Njanke

Director, Global Dominion Institute, Cameroon

Sudharsan Raghunathan

Procurement Analyst, World Bank

Usha Saxena

Head of Department, eProcurement Division,
National Informatics Centre

Rajesh Abrol

General Manager / VIMS, Center for Railway Information Systems

1300 – 1400 hrs **Lunch**

1400 – 1530 hrs

Plenary Session 2

Procurement Strategies and Sustainability

Chairperson

Rajiv Aggarwal

Joint Secretary, Department of Industrial Policy and Promotion,
Ministry of Commerce and Industry, Government of India

Panelists

Sanjeev Chaturvedi

Director, National Institute for Micro Small and Medium Enterprises

Tharshinie Prassanth

Director, Department of Public Finances & Mass Media,
Ministry of Finance, Sri Lanka

Interaction with Audience

1530 – 1700 hrs

Plenary Session 3

Risk Management vs Agility

Chairperson

Sandeep Verma

Principal Secretary, Government of Rajasthan

Panelists

Chacko Joseph

Vice President and Head of IT Procurement & Finance, HDFC Bank

Ravindra Sharma

Director – Value Realization, SAP Ariba

Chenjerani Simon B. Chirwa

Lead Procurement Specialist, World Bank

Joseph Shine

Procurement Specialist, UNICEF

Interaction with Audience

1700 hrs

End of Day One of Summit Followed by

Day 2: Friday; 8 February, 2019

1000 – 1130 hrs

Plenary Session 4

Procurement Benchmarking & Assessment

Chairperson

Sanjay Aggarwal

Director, Department of Expenditure
Ministry of Finance, Government of India

Panelists

Chaithanya Chava

Director, PricewaterhouseCoopers

Shanker Lal

Lead Procurement Specialist, Governance Global Practice, World Bank

Anirudh Shingal

Senior Fellow, Indian Council for Research on
International Economic Relations

Interaction with Audience

1100 – 1130 hrs

Networking Break

1200 – 1330 hrs

Plenary Session 5

Future of Dispute Resolution in Procurement

Chairperson

Ajit Patwardhan

World Bank Trainer, International Consultant in Infrastructure Development & Contract Management

Panelists

O P Goel

Panel Member, Indian Council for Arbitration

Amar Gupta

Partner, JSA Advocates & Solicitors

Ganesh Chandru

Executive Partner, Lakshmikumaran & Sridharan

Aanchal Basur

Partner, Law Offices of Panag & Babu

Interaction with Audience

1330 – 1430 hrs

Lunch

1430 – 1600 hrs

Plenary Session 6

Turning aspirations into Reality: Success stories shared by Procurement Leaders/ CPOs

Chairperson

Chenjerani Simon B. Chirwa

Lead Procurement Specialist, World Bank

Panelists

Rajiv Kumar Rohilla

Senior General Manager (Contracts), Power Grid Corporation of India Limited

Sukhdeepak Singh Waraich

Vice President - Government & PSU Sales, C1 India (P) Ltd.

Rajneesh Rana

General Manager (BD & Contracts), Energy Efficiency Services Limited

1600 – 1630 hrs

Vote of Thanks

1630 hrs

Global Procurement Summit Concludes with Tea

Inaugural Session

On the first day of the Summit the inaugural session began with Dr. Raj Agrawal, Director, All India Management Association – CME, welcoming the dignitaries and the delegates. Introducing the theme of Global Procurement Summit 2019, he emphasised the changing face of public procurement and the scope of improvement that lay ahead. The two day summit was inaugurated by Ms. S Radha Chauhan, Chief Executive Officer, Government e-Marketplace, Ministry of Commerce and Industry, Government of India. Ms Chauhan congratulated AIMA for contributing towards procurement fraternity at the Global level. Addressing the audience Ms. S Radha Chauhan, talked about setting up of the GeM as real time example of digital disruption happening in India. She emphasized on the GeM platform being dynamic, where buyers can bring about changes in specialization as well as prices during the course of procurement.

While setting the context of GPS 2019, Mr. Vinay Sharma, Director, Global Governance Practice, World



S Radha Chauhan Chief Executive Officer, Government e-Marketplace, Ministry of Commerce and Industry, Government of India addressing

Bank highlighted that by 2030 the money lost in public procurement would be approximately 3 trillion dollars due to inefficient processes. He stated that World



Releasing of Global Procurement Summit Souvenir (L-R) Dr Raj Agrawal, Director, AIMA; Sandeep Verma, Principal Secretary, Government of Rajasthan; S Radha Chauhan Chief Executive Officer, Government e-Marketplace, Ministry of Commerce and Industry, Government of India and Vinay Sharma, Director, Global Governance Practice, World Bank

Bank is initiating various steps to help countries by introducing multiple systems, machine learning, internet of things, and artificial intelligence in the area of procurement. These tools would be used for measuring the data to indicate trends in corruption, increasing economic output like improving investment in countries, promoting small scale enterprises to increase employment and the promotion of women entrepreneurs in procurement. He talked about the World Bank's belief that Public Procurement is value for money, importance of electronic procurement, disputes avoidance boards, economic and transactional efficiency.

The inaugural session was also addressed by Mr Sandeep Verma, Principal Secretary, Government of Rajasthan. While delivering the special address, Mr Verma, briefed the audience with the challenges faced in implementing systematic public procurement reforms in India. According to him the make in India centric public procurement policy may not be a perfect policy in all fields. In his opinion some of the problems faced in running a contract well are that the contactors and bidders are not consulted during the designing of the RFP, there is zero allowance for genuine



Sandeep Verma, Principal Secretary, Government of Rajasthan addressing

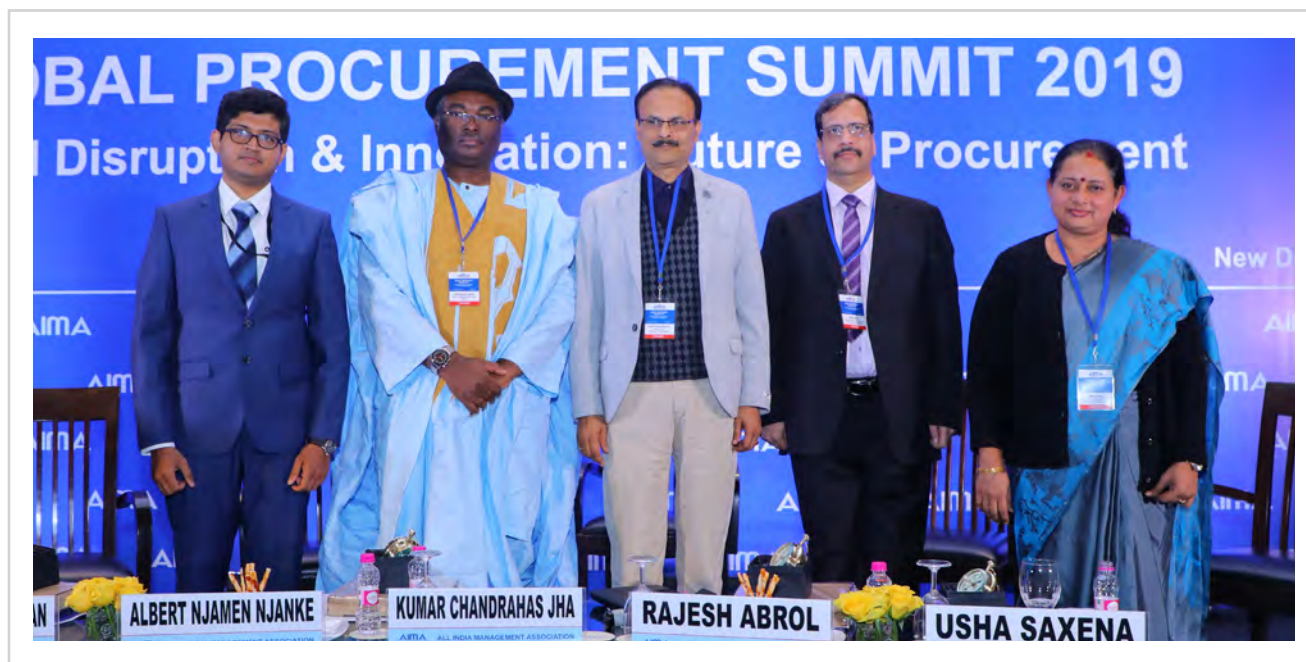
markets, broken down bid protest systems, conflict of interest, state capture of institutions and procurement incapacity etc. He also discussed the problems with public contracts and potential solutions. As per him the key areas in ongoing procurement in India are Make in India, Defense Acquisitions and Offsets, infrastructure and public procurement contracts and electronic procurements.



(L-R) Dr Raj Agrawal, Director, AIMA; Sandeep Verma, Principal Secretary, Government of Rajasthan; S Radha Chauhan, Chief Executive Officer, Government e-Marketplace, Ministry of Commerce and Industry, Government of India; Rekha Sethi, Director General, AIMA and Vinay Sharma, Director, Global Governance Practice, World Bank

Plenary Session 1:

AI Implementation and Procurement Automation



(L-R) Sudharsan Raghunathan, Procurement Analyst, World Bank; Albert Njamen Njanke, Director, Global Dominion Institute, Cameroon; K C Jha, Addl. Chief Executive Officer, Government e-Marketplace, Ministry of Commerce and Industry, Government of India; Rajesh Abrol, General Manager / VIMS, Center for Railway Information Systems and Usha Saxena, Head of Department, eProcurement Division, National Informatics Centre

The first Plenary Session of the Summit on “AI Implementation and Procurement Automation” was chaired by Mr. Kumar Chandrahas Jha (Additional Chief Executive officer, GeM, Ministry of Commerce and Industry). The speakers in the session were- Mr. Albert Njamen Njanke (Director, Global Dominion Institute, Cameroon), Mr. Sudharsan Raghunathan (Procurement Analyst, World Bank), Ms. Usha Saxena (Head of Department, e-Procurement Division, National Informatics Centre) and Mr. Rajesh Abrol (General Manager/ VIMS, Centre for Railway Information Systems).

Mr. Kumar Chandrahas Jha, initiated the proceedings of the session by sharing the story of transformation in public procurement by showing GeM video. He mentioned that GEM has touched the lives of a number of small and medium sized companies benefitting both the vendors and the government purchase.

Addressing the audience Mr. Jha mentioned that GeM has used AI in procurement to make the process efficient and transparent. Highlighting the key advantages of using AI in GeM he emphasised that all the steps were now on the dashboard, the workflow and timelines have been defined to make the process streamlined. He emphasised that advantages of using GeM includes reduction in average time for payment from 30 days to 15 days, it has solved the problem of one sided contract, incorporated minimum mandatory discount of 10% and buyers rating on the basis of timely payment. Online training system are created by providing digital classes and specified the setting up of pool accounts. Looking forward he highlighted the scope of AI in the area of public procurement specifically in areas like price trend analysis, demand forecasting on sectorial process and price visibility .

Building on the momentum, the next speaker Mr. Albert

Njamen Njanke, spoke about the implementation of public procurement in Africa. While mentioning corruption as the biggest factor in public procurement he highlighted that corruption is a state of mind and flourishes only in weak systems.. Thus when public procurement will be handled efficiently and in a transparent atmosphere the savings can be used for developmental works. He specified weakness in the procurement system was majorly due to lack of clarity regarding legal framework, lack of transparency, accountability, anti-corruption laws, lack of training and conflict of interest. He recommended the use of block chain technology for procurement in Africa while at the same time warning that block chain is like an iceberg based on digital trust.

After Mr. Albert, the next speaker, Mr. Sudharshan Raghunathan, addressed about the disruptive technology in the area of procurement in the form of automation of manual jobs. The automation journey he specified started with the introduction of digital signature. However over a period of time all the work flow was streamlined and put into processes. As steps to improvise public procurement, he mentioned the stages right from procurement requisition to validation of information and approval process have now been digitised. By automation of these steps, he claimed that the team has reduced by 20%. His colleague Mr Dignesh mentioned the usage of robotic process automation in the procurement process. Discussing the challenges he specified the digitisation of database maintenance as a key area. He mentioned that World Bank is working on the latest projects like automation of material distance support system and smart contracts in the area of public procurement.

Followed by Mr Sudarshan, the next speaker, Ms. Usha Saxena, discussed how GePNIC- Application has now turned into a platform, over the last 10 years. GePNIC is used by 28 states, Union Territories and 450 central government officers as a "Trust worthy partners".

Explaining GePNIC as a procurement automation initiative which has converted an application into a platform providing transparency, open auctions and



Albert Njamen Njanke, Director, Global Dominion Institute, Cameroon addressing

interface with other systems supported by web based training. It provides standardised templates, technical evaluation, transparency of information, an inbuilt dashboard and an open auction portal for general public. Moving forward she emphasised the usage of AI in procurement automation for centralising, monitoring KPI's, addressing feedback/complaints, open API's, predictive analysis natural language generation and risk management. She conclude by highlighting the importance of collaboration with industry to upgrade the system.

The last speaker in the session was Mr. Rajesh Abrol, who narrated his experience of the procurement process automation in the Indian railways system. He introduced IREPS/ IMMS as the IT arm of Indian Railways which manages the critical applications of India Railways including eProcurement, eSale through scrap sale, eAuction leasing, contract management, warehousing and inventory management, online tender decisions and leasing. He spoke about the need of automation which can happen through traditional automation techniques, robotics and cognitive automation.

Plenary Session 2

Procurement Strategies and Sustainability

In the second session, “Procurement Strategies and Sustainability”, chaired by Mr. Rajiv Aggarwal (Joint Secretary, Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India), the speakers were Mr. Sanjeev Chaturvedi (Director, National Institute for Micro, Small and Medium Enterprises) and Ms. Tharshinie Prassanth (Director, Department of Public Finance, Ministry of Finance and Mass Media, Sri Lanka).

Mr. Rajiv Aggarwal, pointed that in India 20% of GDP is invested in public procurement amounting to approximately \$500 billion worth of procurement every year. Highlighting the procurement policy document he specified that the procuring agencies should not compromise on cost and quality aspect. He also proposed a restrictive discipline clause for domestic industries highlighting the need for providing a level playing field for all. He said that the policy should clearly specify mandatory/shall/necessary

clauses for procurement for maintaining a transparent and efficient system. He also highlighted the need for the grievance cell and sector specific policy of reciprocity of tendering between countries while not compromising the quality and cost aspect.

The next speaker, Mr. Sanjeev Chaturvedi, stated that the usage of GeM has reduced the cost of procurement by 15%-20% in his organization. He emphasized on importance of being digital and hence being transparent. He shared his experience of what steps were taken in their institute for bringing down corruption and having more transparency.

Mrs. Tharshinie Prassanth, the next speaker, briefly shared the public procurement process in her country. She mentioned that they initiated the process of having digital platform for procurement in 2017 and this year they hope to launch it successfully and followed by this they would have fruitful sustainable procurement system in Sri Lanka.



(L_R) Rajiv Aggarwal, Joint Secretary, Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India; Tharshinie Prassanth, Director, Department of Public Finances & Mass Media, Ministry of Finance, Sri Lanka and Sanjeev Chaturvedi, Director, National Institute for Micro Small and Medium Enterprises

Plenary Session 3

Risk management vs Agility



(L-R) Joseph Shine, Procurement Specialist, UNICEF; Chenjerani Simon B. Chirwa, Lead Procurement Specialist, World Bank; Sandeep Verma, Principal Secretary, Government of Rajasthan; Ravindra Sharma, Director – Value Realization, SAP Ariba and Chacko Joseph, Vice President and Head of IT Procurement & Finance, HDFC Bank

The third and the last session on the first day of the Summit on “Risk management vs Agility” was chaired by Mr. Sandeep Verma (Principal Secretary, Government of Rajasthan) where the speakers were Mr. Chacko Joseph (Vice President and Head of IT Procurement & Finance, HDFC Bank), Mr. Ravindra Sharma (Director- Value Realization, SAP Ariba), Mr. Chenjerani Simon B. Chirwa (Lead Procurement Specialist, World Bank) and Mr. Joseph Shine (Procurement Specialist, UNICEF).

Beginning with the proceedings of the session, Mr. Chacko Joseph, spoke about PRAMS as an electronic tool used by banks to procure to pay in the payment pay life cycle. Assessing the risks involved in procure to pay process he highlighted sourcing, contracting, sending requisitions, purchase order and payments as a key area of concern. As steps for

supplier management control he listed down stepwise detailing of the supplier, sourcing and then reviewing as the major steps. Talking about big data he said there are thousands of un-related transaction, which when automated can create a single system which can be used in trend analysis and forecasting. He was of the opinion that agility automation and risk management can go hand in hand.

The next speaker Mr. Ravinder Sharma, highlighted the changing role of a chief procurement officer in this dynamic environment to adjust to the changing markets. Speaking about sensing and seizing opportunities he mentioned that the topple rate i.e the rate at which companies are leaving their leadership position is almost 40%. While giving the example of Falcon which stood out during the gulf war he propagated the need for agility and stability both. As



Joseph Shine, Procurement Specialist, UNICEF

term. He emphasized the role of agile supply chain, risk management, building new business model with suppliers and contracting as a risk management tool.

This session was concluded by Mr. Joseph Shine. He highlighted the critical functions of supply and procurement. Talking about the application he categorized risk management into 3 bins - high, moderate and low. While low risk could be easily handled, moderate risk needed attention and high risk must be brought down to low as much as they could be. However in case the project is too risky it should be terminated. Suggesting on vendor selection he opined that the vendors should be registered under UNGM, suppliers should be signing the code of conduct and use of long terms arrangement, compliance with article 7 which talks about the ethical standards.

per him “If you are not agile you’ll be wiped out.”

The CPO strategy, he opined, also needs to include design thinking, building team for collaboration, innovation, culture of innovation and chain management which can be used to make process more agile and simplified for organisations. Procurement he said needs to be redesigned according to new requirements in line with identifying category expertise, new material, and new business model.

Mr. Chenjerani Simon B. Chirwa, who presented his presentation after Mr Sharma, pointed out that in India, World Bank has 104 projects, 335 implementing agencies and 14153 procurement activities for the year 2019. The automation process he said is divided into three categories- short term, middle term and long



Ravindra Sharma, Director – Value Realization, SAP Ariba

Plenary Session 4

Procurement Benchmarking and Assessment

The second day at the GPS 2019 Summit started with the fourth plenary session on “Procurement Benchmarking and Assessment” chaired by Mr. Sanjay Aggarwal (Director, Public Procurement Division, Ministry of Finance) and addressed by Mr Chaithanya Chava (Director, Pricewaterhouse Coopers), Mr. Shanker Lal (Lead Procurement Specialist, Governance Global Practice, World Bank) and Mr. Anirudh Shingal (Senior fellow, Indian Council for Research on International Economic Relations)

The Chair person Mr. Sanjay Agrawal started the session by highlighting the need for benchmarking. He said that the public procurement process in India need to be globally benchmarked as it has scope for major reforms. Bringing out the history of benchmarking he said that the first structured assessment happened in 2003 by the name of Country Procurement Assessment report while the next one happened in 2017 by the name of Benchmarking Public Procurement Report.

The first assessment report of 2003 made 13 recommendations which included creating a dedicated



Sanjay Aggarwal, Director, Department of Expenditure, Ministry of Finance, Government of India

agency for public procurement policy and oversight, introduction of electronic tendering, publishing contract awards in news media and websites for viewing, introducing debriefing procedures, initiating regular training programmes and performance indicators.

The Benchmarking in Public Procurement Report of 2017 focused on legal and regulatory environment. The report ranked India at 76th position on the average of all parameters of public procurements. Mr. Sanjay also mentioned about the Methodology for Assessing Procurement System (MAPS). The implementing agency of MAPS was the PPD while the assessment was conducted by the World Bank. It was carried out in 5 states and central government entities.

Post his presentation, Mr. Chaithanya Chava, highlighting the importance of benchmarking and assessing procurement system, and shared a snap shot of public procurement in year 2017.

During his talk, he mentioned that the Public procurement System demands high level of efficiency



Chaithanya Chava, Director, PricewaterhouseCoopers

and transparency owing to the sheer volume of public expenditure they represent and vulnerability to mismanagement, fraud and corruption. He stated tools and framework available for assessing procurement performance and efficiency by World Bank and other agencies. He talked about digitization, increased importance to demand planning, Green Public Procurement and Capacity Building and Development as some of the Global trends in Public Procurement and opined that public procurement is a highly specialised skill and need exclusive procurement cadre.

The next speaker for the session, Mr. Shanker Lal, shared the experience of World Bank in India in the area of Public Procurement. He said that India was assessed for the first time in 2017 in 8 areas. The most important area of improvement being delay in release of payment. The ease of doing business report led to a number of policy reforms. India has vastly improved because of these reforms ranking from 132 in 2008 to 77 in 2019. The new indicators in the ease of doing business includes contracting

with government, benchmarking efficiency, quality, transparency, accountability and integrity of public procurement system. The data sourcing includes lawyers, constructions, engineers, procuring entities and world bank staff.

Addressing the gathering Mr Anirudh Shingal, the last speaker for the session stated the parameters for assessing the public procurement. He listed out the parameters as efficiency and distribution consideration, trade openness consideration, promoting competitiveness. Commenting on how we can assess procurement performance he stated that we need to look at the actual data on what, how and from whom governments procure and examine laws/ regulatory practices governing government procurement.

He also shared his findings from literature on analysing GPA data, country level data and evidence on e-tendering contracts. He emphasises the coverage of government procurement provisions in public trade agreements.



(L-R) Chaithanya Chava, Director, PricewaterhouseCoopers; Sanjay Aggarwal, Director, Department of Expenditure, Ministry of Finance, Government of India; RK Singh, Deputy Director, AIMA; Shanker Lal, Lead Procurement Specialist, Governance Global Practice, World Bank and Anirudh Shingal, Senior Fellow, Indian Council for Research on International Economic Relations

Plenary Session 5

Future of Dispute Resolution in Procurement



(L-R) O P Goel, Panel Member, Indian Council for Arbitration; Aanchal Basur, Partner, Law Offices of Panag & Babu; Ajit Patwardhan, World Bank Trainer, International Consultant in Infrastructure, Development & Contract Management; Ganesh Chandru, Executive Partner, Lakshmikumaran & Sridharan and Amar Gupta, Partner, JSA Advocates & Solicitors

The fifth plenary session of GPS 2019, on “Future of Dispute Resolution in Procurement” was chaired by



Ajit Patwardhan, World Bank Trainer, International Consultant in Infrastructure, Development & Contract Management

Mr. Ajit Patwardhan (World Bank Trainer, International Consultant in Infrastructure Development and Contract Management) and addressed by Mr. OP Goel (Panel member, Indian council for Arbitration), Mr. Amar Gupta (Partner JSA Advocate & Solicitors), Mr. Ganesh Chandru (Executive Partner, Lakshmikumaran & Sridharan) and Ms. Aanchal Basur (Partner, Law offices of Panag & Babu).

Mr. Ajit Patwardhan, mentioned that the future of Dispute Resolution is dependent upon - the process of minimizing the claims and disputes by proper provisions in the Contract and by the process of Resolving the Disputes speedily, when they arise, by smooth time-bound process. He further suggested that guided re-negotiation can be explored for extreme delays or for any extreme limit crossed. He raised concern for government officers involved in decision making process. Mr. Ajit suggested that systems should be such which protects the decision



O P Goel, Panel Member, Indian Council for Arbitration

makers – government officials and they can take fare decisions without any fear of CAG & CVC.

He ended his session by mentioning the need of procurement friendly environment which minimizes chances of disputes.

The first speaker of the session, Mr. O P Goel, made a presentation on future of dispute resolution in procurement. The focus of his talk was “Dispute Boards in Construction Projects”. He was of the view that there can’t be elimination of disputes in construction projects. He said that it is not possible to have a perfect contract despite best efforts. In India success of Dispute Board (DB) is as low as 5%. In India DB are not effective because of delay in constitution of DB, lack of qualified DB members and lack of awareness about DB procedures. He elaborated on standard operating procedures for DB developed by World Bank. He concluded by hoping that the mindset of employers changes for DBs.

The next speaker of the session was Mr. Amar Gupta, who stated the use of technology in procurement

e-contracts are new for legal framework in India. He further mentioned about various act which gives acceptability and recognition to e- contracts such as Indian Evidence Act, 1872 and Information Technology Act, 2000. Mr. Gupta elaborated on SMART Contracts, which are beyond legal framework and has many challenges such as coding error and hardware issues, design fault, etc. He addressed Law of Agency and Law of Mistakes as the solution for SMART Contracts. He also briefly spoke about dispute resolution and a recent

Government initiative of commercial courts.

Post his presentation, Mr. Ganesh Chandru elaborated on legal regime in India for procurement and mentioned that there is no central legislation for procurement in India but some states have state legislations for their own states. He spoke in length on Defence and Railway procurement Contracts and Provisions. His concluding remarks were on the key amendment to Arbitration & Conciliation Act 1996.

Ms Aanchal Basur, the last and the youngest speaker of the session, mentioned that Arbitration scenario in India has developed over the years. She talked about the key amendments to Arbitration Act. Ms. Aanchal mentioned that institutional Arbitration is the way forward. Consolidation of Arbitration is the new way to dispute resolution. According to her, fast track arbitration solves many issues of complexity in the process. She also mentioned about the best practices around the world. She said that in case of India, disputes can be minimized by focus on drafts of contracts, multi-tier arbitration process etc.

Plenary Session 6

Turning aspiration into Reality: Success stories shared by Procurement Leaders/ CPOs



(L-R) Sukhdeepak Singh Waraich, Vice President - Government & PSU Sales, C1 India (P) Ltd; Chenjerani Simon B. Chirwa, Lead Procurement Specialist, World Bank; Rajneesh Rana, General Manager (BD & Contracts), Energy Efficiency Services Ltd and Rajiv Kumar Rohilla, Senior General Manager (Contracts), Power Grid Corporation of India Limited

The last session of GPS 2019, on “Turning aspiration into Reality: Success stories shared by Procurement Leaders/ CPOs” was chaired by Mr. Chenjerani Simon B. Chirwa (Lead Procurement Specialist, World Bank) and addressed by Mr. Rajiv Kumar Rohilla (Senior General Manager (contracts), Power Grid Corporation of India Limited), Mr. Sukhdeepak Singh Waraich (Vice President- Government & PSU Sales, C1India(P) Ltd.) and Mr. Rajneesh Rana (General Manager- BD& Contracts, Energy efficiency Services Limited).

Mr. Rajiv Kumar Rohilla, the first speaker started by giving a brief introduction about the Power Grid Corporation. He talked about the significance of Public Procurement where he highlighted the significance of public spending and its direct relationship with economic development. Mr. Rajiv also talked about the contribution of World Bank in development of procurement. He discussed on the movement from reactive to tactical to strategic procurement and transformational approach.

The second speaker was Mr. Sukhdeepak Singh Waraich. In his presentation, he mentioned that C1

India is the industry leader in e-Procurement since 2000. Establishing the need for e-Procurement in government and private sector Mr. Waraich elaborated on three case studies including Andhra Pradesh government - a World Bank study, state of Gujarat study by UN, A case study of Ministry of Information and Broadcasting. Highlighting the impact of adoption of e-Procurement in each of the cases he gave reference data as a proof of benefits created by e-Procurement. He ended by discussing on the mandatory adoption of e-Procurement.

The last speaker for the session, Mr. Rajneesh Rana, introduced EESL and various innovative initiatives taken by them. The success stories included UJALA –LED Bulb revolution, Pay As You Save Model (PAYS), electric mobility program, decentralized solar plants, Atal Jyoti Yojana (AJAY), Solar Study Lamp (SoUL) Program. He mentioned that the reasons for successful public procurement were quick turnaround time, payment guarantee, transparency and effective procurement, zero project risk to ULB/Utility. He ended his session with a short film on successful case study of LED Bulbs.

Recommendations of GPS 2019

After the two day discussion during Global Procurement Summit 2019, the following important recommendations were made for further consideration:

1) Improving the Procurement Practices; including:

- Wider consultation with prospective bidders before finalizing bid parameters like technical specifications, qualification requirements, terms of contracts etc.
- Ensure timely payment, failing which interest should be paid for delays
- Invest in preparing procurement strategy upfront to avoid pitfalls during the procurement process
- Building the training capacity in procurement to support the industry
- Procurement benchmarking tools, both at country or enterprise level, are critical to improve competitiveness. For a country or state, it may impact capital inflows, trade and pace of development, while for an enterprise it defines that contribution of procurement to top line and bottom-line of a firm.



Dr. Raj Agrawal, Director, AIMA addressing

- Buyers may also use long term arrangements also known as framework arrangements with prices agreed and therefore, procurement becomes much easier and faster.

2) Increase the use of technology in procurement, including:

- Maximize the use of e-platforms for improving efficiency, economy and access
- Add value using disruptive technological tools like block-chain, robotics and artificial intelligence. Both academia and industry have important roles to play in this. Increase investment in these areas
- Use technology as tool to fight corruption in public procurement.
- Big data is becoming important as there are thousands of un-related transactions, which when analysed, can be used in trend analysis and forecasting.
- Codification and open contract data are important for effective oversight as well as allowing various systems to talk to each other

3) Strengthen Sustainable Procurement, including:

- Ensure that quality and timeliness of delivery are not compromised to accommodate sustainability
- Sustainability needs to be integrated suitably in online platforms and marketplaces

4) Maintain a fine balance between risk management and agility, including:

- Agility should be the consideration right from designing the supply chain
- CPO needs to maintain proactive relationship with new technological companies and start-ups because every company cannot derive innovation on their own



Participants at Global Procurement Summit

- There is need to build culture of change, innovation, pro-activeness because markets are fast changing, and agility is essential for survival.
 - Category-based management is useful approach for risk management
 - Use of social media and interfaces like Yammer is becoming important for connecting with potential purchasers and suppliers
- 5) Dispute Avoidance and speedy Resolution are critical for both Purchaser and Supplier, including:**
- Invest in contract management skills and capacity building to avoid costly disputes
 - Promote approaches like institutional arbitration and dispute boards
 - E-contracts are becoming increasingly important and there is a need to orient dispute resolution systems towards them.
 - Arbitral tribunal kind of structure and an appellate body may be helpful to make timely decisions

ALL INDIA MANAGEMENT ASSOCIATION

Management House, 14, Institutional Area
Lodhi Road, New Delhi 110003

Tel: +91 11 2460 5100 / 4312 8100, Fax: +91 11 2460 8503

Email: gps@aima.in, Website: www.aima.in