



सत्यमेव जयते  
Ministry of Finance  
Government of India

**AIMA**

ALL INDIA MANAGEMENT ASSOCIATION



सत्यमेव जयते  
Ministry of Electronics and  
Information Technology  
Government of India

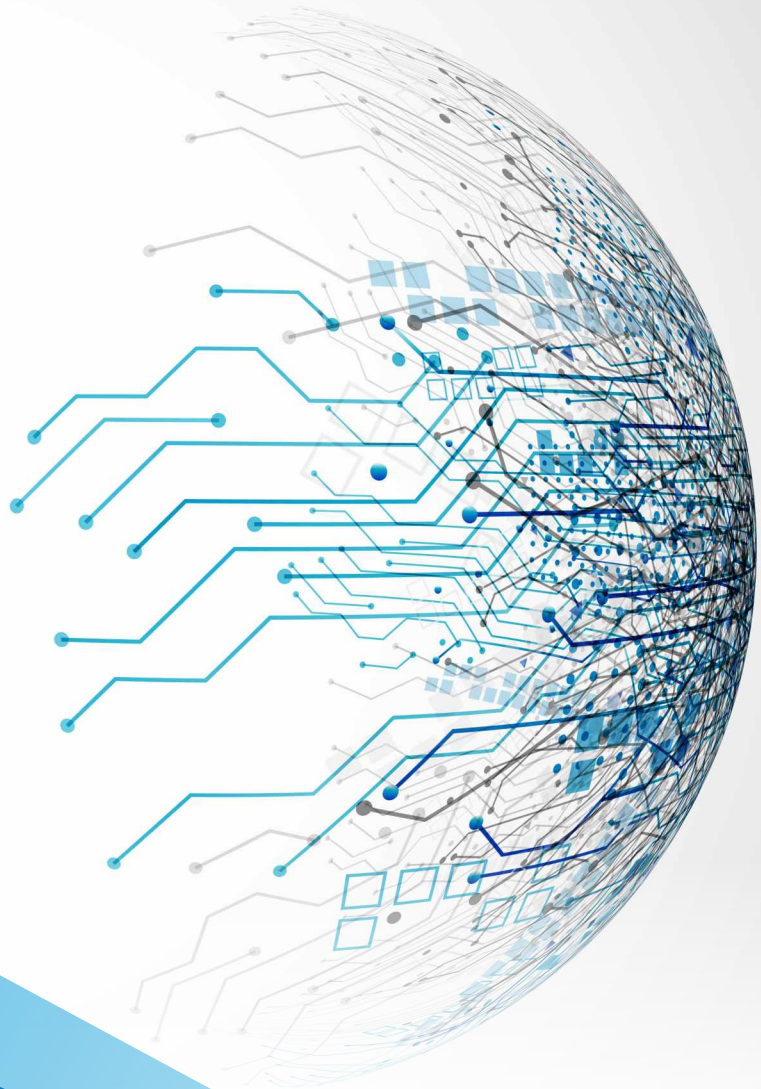
Supported by:



**THE WORLD BANK**  
IBRD • IDA | WORLD BANK GROUP

# Global Procurement Summit 2020

Procurement in  
21st Century



## REPORT

10-11 February, 2020  
The Lalit Hotel, New Delhi



# **GLOBAL PROCUREMENT SUMMIT 2020**

Digital Disruption & Innovation:  
Future of Procurement

10-11 February, 2020  
Hotel The Lalit, 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](mailto:gps@aima.in), Website: [www.aima.in](http://www.aima.in)





सत्यमेव जयते  
Ministry of Finance  
Government of India



ALL INDIA MANAGEMENT ASSOCIATION



सत्यमेव जयते  
Ministry of Electronics and  
Information Technology  
Government of India

Supported by:



THE WORLD BANK  
IBRD • IDA | WORLD BANK GROUP

# Global Procurement Summit 2020

## Thank You Partners

Knowledge Partner



Silver Partner



State Partner



PSU Partners



GAIL (India) Limited



Associate Partners



Technical Partners





## CONTENTS

CONTENTS	PAGE NO.
About AIMA -----	07
Introduction -----	09
Agenda -----	11
Session Proceedings and Recommendations-----	15







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 2020

## Digital Disruption & Innovation: Future of Procurement

10-11 February, 2020: Hotel The Lalit, New Delhi

### Procurement in 21st Century

Last few decades have seen evolution of Procurement from transaction to strategy. The role of procurement in top and bottom lines of private enterprises and in service delivery by the public sector is increasingly being recognized. With first signs of economic slowdown appearing on horizon, any savings due to better procurement practices will be very important. Use of technology in procurement is an emerging phenomenon but is rapidly catching up not just in private sector but also in government procurement.

India's aspiration to become US\$ 5 trillion economy will require mammoth creation of new infrastructure.

Governments are looking at Public-Private Partnerships (PPPs) with renewed interest, not just for bringing financing from private sector but also innovation and efficiency. Also the focus is shifting from resolution of disputes in large and complex contracts to avoidance through proactive management of contracts.

All India Management Association, an apex body of management profession in India, join hands with the Ministry of Finance and Ministry of Electronics and Information Technology, the Government of India, and with the WorldBank and other international/national partners for bringing together the most senior and regional procurement community to examine opportunities and challenges faced in Procurement during 21st Century.

Targeting senior officers engaged in public procurement at central and state public entities and the critical bidding communities represented by manufacturers, suppliers and contractors and consultants, the key objectives of Global Procurement Summit 2020 are to –

- Create new Procurement Value Proposition using Technology
- Establish a concrete role of Procurement in corporate Strategy

- Raising the bar of Procurement function for Government & Business
- Familiarize with procurement under PPPs
- Apprising with the steps to neutralize the disputes which may arise during the contracts
- Understanding and minimizing the roadblocks faced in this revolutionary phase

Organized on February 10-11, 2020 at New Delhi, India, GPS 2020 would bring in experts in the area of procurement from and around the World to deliberate and share their knowledge in the following six themes-

- Role of Procurement in Enhancing Economic Growth
- Growth & Emergence of Public Private Partnership (PPP)
- Professionalization of Procurement
- Dispute Avoidance and Resolution in Contracts
- Technology in Procurement: e-procurement, e-RA, AI, Big Data, IoT and Robotics
- Sustainable Procurement: A Way Forward

During the sessions, the above mentioned themes will be discussed and the speakers will share the focus area of top performing procurement teams, along with the challenges faced by them in their procurement process. Recommendations coming out of the session discussions will act as stepping stone for the policy makers which will provide insight into the current challenges procurement professional face and the upcoming opportunities they foresee from the industry and the Government for the 21st Century.

**On day one**, the session on **“Role of Procurement in Enhancing Economic Growth”**, stresses on the importance of Public Procurement for growth trajectory of a country. This session will provide opportunity to hear from

Bangladesh their journey on procurement reforms and its impact on their economy. Initiatives of Government of India will also be discussed in this session.

While exploring various avenues, Public-Private Partnerships have been seen as an important form of procurement for the delivery of services across sectors in several emerging markets globally. However, developing and bidding in PPP projects continue to be challenging. The session on **“Growth & Emergence of Public Private Partnership (PPP)”** attempts to highlight PPP experience from South Asia as well as from other countries across the World. Policy framework in India and Challenges and Opportunities for PPP projects in Highway sector in India will also be discussed.

This session is followed by the session on **“Professionalization of Procurement”**, which covers the importance of capacity building and implementation of capacity development in the area of Procurement. The speakers in this session deliberate upon moving from Compliance to Performance as well as how to develop and position procurement as professional stream.

Contractual disputes is an area of concern for public procurement and loopholes in contracts tend to delay projects and dilute public service delivery. On day two, the session on **“Dispute Avoidance and Resolution in Contracts”**, looks at the different alternate dispute resolution techniques like Mediation, Dispute Resolution Boards and Arbitration including a presentation from Singapore. The session will also endeavor to showcase the importance of commercial courts for contractual dispute resolution.

Given the size and complexity of the government, there will always be room for improvement in procurement. However, technological advances now offer a great opportunity to make public procurement more open, transparent and accountable. The session on **“Technology in Procurement:**

**e-procurement, e-RA, AI, Big Data, IoT and Robotics”**, focusses on digital business enabled by digital procurement, technology in Procurement (Machine Learning (ML), data analytics and block chain, technology disruptions and their transformation effect on value chain etc. Procurement also has a responsibility beyond the bottom line. It can be an instrument of effecting social and environmental change. A bias towards sustainable and inclusive suppliers can achieve more change than the usual CSR activities. The last session of the day on **“Sustainable Procurement: A Way Forward”**, concentrates on how sustainable procurement has the potential to transform market. Discussion will also happen on how balancing of socio, economic and environmental considerations is done by achieving sustainability in procurement.

There is a great need for organizations to equip their procurement officers with the knowledge and skills related to e-tendering, online auctions and digital vendor management. AIMA has been contributing towards

Professionalization of Procurement by conducting training programs, offering various Diplomas and Certificate Programs. Recognizing the importance of building capacity in public procurement, AIMA with the technical support of the World Bank has been successfully offering Professional Diploma in Public Procurement and Certificate program in Contract Dispute Resolution across India and overseas. There is also plan to offer a Certificate Programme in PPP in future.

GPS 2020 brings in international and national experts from over 8 to 10 countries and is expected to attract over 300 participants during the event. Initiating a serious engagement between policy makers, practitioners from public and private sector as well as international development organizations, the Summit will contribute as the annual think tank and another steps towards the professionalization of public procurement function.

# Global Procurement Summit 2020

## Digital Disruption & Innovation: Future of Procurement

10-11 February, 2020: Hotel The Lalit, New Delhi

### Day 1: Monday, 10 February, 2020

0900 hrs onwards	<b>Registration</b>
1000 – 1100hrs	<b>Inaugural Session</b> • <b>Lighting of the lamp</b>
Welcome Remarks	<b>Mr. Nikhil Sawhney</b> Treasurer, All India Management Association
Special Address	<b>Mr. Junaid Kamal Ahmad</b> Country Director - India, TheWorld Bank
Inaugural Address	<b>Dr. T V Somanathan</b> Secretary - Expenditure, Department of Expenditure, Ministry of Finance
Release of Souvenir by Chief Guest	- Release of Summit Souvenir
Concluding Remarks	<b>Dr. Raj Agrawal</b> Director, All India Management Association
1100 – 1145 hrs	Special Address <b>Mr. Suresh Prabhu</b> India's Sherpa at G20
1145-1315hrs	
<b>Plenary Session 1</b>	Role of Procurement in Economic Growth
Chairperson	<b>Mr. Sandeep Verma</b> Principal Secretary, Government of Rajasthan
Panelists	<b>Mr. Sanjay Aggarwal</b> Director, Department of Expenditure Ministry of Finance, Government of India  <b>Mr. Shish Haider Chowdhury</b> Director- CPTU, IMED, Ministry of Planning, Government of Bangladesh  <b>Mr. Vinay Vijay Singh</b> World Bank Lead Partner, KPMG India
1315 – 1400 hrs	Lunch

1400 – 1530 hrs

## Plenary Session 2

Chairperson

### Growth & Emergence of Public Private Partnership (PPP)

**Mr. Kumar V Pratap**

Joint Secretary – Infrastructure Policy and Finance,  
Department of Economic Affairs, Ministry of Finance, Government of India

Panelists

**Mr. Maurice E Diamond**

Fellow, Chartered Institute of Public Finance and Accountancy

**Mr. R K Pandey**

Member, National Highway Authority of India,  
Ministry of Road Transport and Highways

**Ms. Hemalatha D**

Head – Procurement and Process Improvement,  
L&T Infrastructure Development Projects Limited

**Mr. Harsh Doshi**

Director - Technical, R.K.C Infrabuilt Pvt. Ltd

1530 – 1700 hrs

## Plenary Session 3

Chairperson

### Professionalization of Procurement

**Mr. Ashutosh Vajpeyi**

Joint Secretary, Economic Affairs, Government of Rajasthan

Panelists

**Mr. Xiaoping Li**

Senior Procurement Specialist, The World Bank

**Ms. Meena Agarwal**

Director, National Institute of Financial Management

**Mr. Shanker Lal**

Lead Procurement Specialist, The World Bank

1700 hrs

END OF DAY ONE OF SUMMIT FOLLOWED BY TEA

## Day 2: Tuesday; 11 February, 2020

1000 – 1130 hrs

## Plenary Session 4

Chairperson

### Dispute Avoidance and Resolution in Contracts

**Mr. Bisma Husen**

Principal Procurement Specialist, Asian Development Bank

Panelists

**Mr. Sanjeev Ahuja**

Director, Ensemble Resolution Professionals

**Mr. Srinivas Kotni**

Founder & Managing Partner, Lexport

**Mr. D. Jebaselwin Gladson**

Additional General Manager - Contract Management,  
Chennai Metro Rail Limited

**Mr. Mehernosh Shapoorjee**

Co-Founder, Director, Mediation Mantras

1130 – 1200 hrs

Networking Break

1200 – 1330 hrs

**Plenary Session 5**

**Technology in Procurement: e Procurement, e-RA, AI, Big Data, IoT and Robotics**

Chairperson

**Mr. Tallen Kumar**

Chief Executive Officer, Government e-Marketplace

Panelists

**Dr. Neeta Verma**

Director General, National Informatics Centre,  
Ministry of Electronics and Information Technology

**Mr. Michael Graeme Osborne**

Senior Procurement Specialist, The World Bank

**Mr. P V Vsatyanarayana**

General Manager, Centre for Railway Information Systems

1330 – 1430 hrs

Lunch

1430 – 1600 hrs

**Plenary Session 6**

**Sustainable Procurement: A way forward**

Chairperson

**Dr. Srikanta K. Panigrahi**

Director General, Indian Institute Of Sustainable Development

Panelists

**Mr. Ishtiaq Siddique**

Senior Procurement Specialist, The World Bank

**Ms. Anubha Prasad**

National Coordinator, United Nations Environment Programme

**Ms. Manmeet Kaur Nanda**

Joint Secretary, Department for Promotion of Industry and Internal Trade,  
Ministry of Commerce and Industry

1600 – 1630 hrs

**Valedictory Session**

**Mr. Sanjay Aggarwal**

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

**Mr. Chenjerani Simon B. Chirwa**

Lead Procurement Specialist, Governance Global Practice, The World Bank

**Dr. Raj Agrawal**

Director, All India Management Association

1630 – 1700 hrs

Networking Tea





## Inaugural Session

On the first day of the Summit, the inaugural session began with lighting of the lamp by the luminaries present for the Inaugural Session. Mr. Nikhil Sawhney, Treasurer, AIMA welcomed the dignitaries and the delegates. He highlighted AIMA's journey and shared the importance of the Procurement as a function and how it derives major part of the private investment in the economy. The two day summit was inaugurated by Dr. TV Somanathan, Secretary - Expenditure, Department of Expenditure, Ministry of Finance. Dr Somanathan congratulated AIMA and the World Bank for highlighting the importance of this vital but unappreciated function. He stated that procurement needs to be fair, transparent and economical. He said that procurement is one of the biggest item of government and therefore apart from the value to people we procure from, the efficiency of procurement makes big difference to fiscal discipline in government. The Global government procurement economy is estimated to be \$10 trillion in value and in most of the countries including India constitutes more than one-fifth of the total GDP. He emphasized that Ministry Of Finance has recognized Procurement as strategic tool and has taken many steps to move towards the 21st century, including revising General Financial Rules (GFR) and procurement manuals and made

major advances in use of technology in procurement (like GeM and Central Public Procurement Portal). Talking about Public Private Partnership, he mentioned PPP are important form of Infrastructure development across various sectors. Since, PPP are long term contracts, therefore dealing with unanticipated changes or risk that are not specifically provided in the contracts is a big challenge.

Dr Somanathan accepted that though there are alternate dispute resolution and mechanism existing in case of disputes, however so far we have not been very successful in maximizing speed with which disputes are resolved. Government of India has taken some steps in this regard, however we have long way to go. Dr Somanathan suggested that there is a strong need to build remedies within the contract to get out of the disputes rather than entering into dispute resolutions later. Dr Somanathan in his closing remarks said that we need economy without delay, we need rigor without rigidity, transparency without paralysis and fairness without being inefficient.

On completion of his inaugural remarks, the dignitaries released the Summit Souvenir.

The inauguration was marked by special address of Mr. Junaid Kamal Ahmad, Country Director-India, The World



(L-R) Mr. Nikhil Sawhney, Treasurer, All India Management Association; Dr. T V Somanathan, Secretary - Expenditure, Department of Expenditure, Ministry of Finance; Mr. Junaid Kamal Ahmad, Country Director-India, The World Bank and Dr. Raj Agrawal, Director, All India Management Association



*Dr. T V Somanathan, Secretary - Expenditure, Department of Expenditure, Ministry of Finance Addressing*

Bank. Mr Ahmad mentioned that transparent and efficient Public Procurement is highly important for any economy. He drew an interesting parallel with Bangladesh Cricket board, which has undergone change at the management level and because of which the board is procuring talents from across the nation and not just from big cities.

While sharing that the procurement values about average 25% share of global GDP, he mentioned that if we improve efficiency of this portion, the impact is huge and immediate. During his speech, he touched upon the issue of state capability. He mentioned the need for building state capability where public procurement is an important component. Within that context, Mr Ahmad touched upon the concept of competitive federalism and mentioned that; For federalism to work well procurement should not only be transparent but also strengthened both at state as well as local government levels. Federalism and accountability should go hand-in-hand. He gave the example of how state government collaborated with new state actors and, private schools to improve public schools in Delhi.

Mr Ahmad stated that in the recent years there is a rapid

improvement in doing business ranking, which never happened in India before. According to World Bank's annual report on the Ease of Doing Business (EODB), 'Doing Business 2020: Comparing Business Regulations in 190 Economies', India ranks 63rd out of 190 countries. In view of the importance of public procurement, a new indicator on contracting with government is being introduced under doing business.

Mr Ahmad suggested that to improve the procurement system, capacity building is very important which can happen through various courses. In this regard, World Bank has partnered with reputed Indian institutions such as AIMA to launch various courses such as Professional Diploma in Public Procurement and Certificate Program in Contractual Dispute Resolution.

Dr. Raj Agrawal, Director, AIMA ended the inauguration session with his Concluding Remarks, thanking the panel of experts, partners and participants for their association, support and involvement with AIMA's GPS.



*Mr. Junaid Kamal Ahmad, Country Director-India, The World Bank addressing*

## Plenary Session 1

### Role of Procurement in Economic Growth

The first Plenary Session of the Summit on “Role of Procurement in Economic Growth” was chaired by Mr. Sandeep Verma, Principal Secretary, Government of Rajasthan. The speakers in the session were - Mr. Sanjay Aggarwal, Director, Department of Expenditure, Ministry of Finance, Government of India, Mr. Shish Haider Chowdhury, Director- CPTU, IMED, Ministry of Planning, Government of Bangladesh and Mr. Vinay Vijay Singh, World Bank Lead Partner, KPMG India

Mr. Sandeep Verma initiating the proceedings of the session mentioned that till 2010 historically discrimination existed for India's own suppliers against foreign suppliers. Today, the scene has changed with Public procurement (Preference to Make in India) order 2017 (revised 2018, 2019) and now Assemble in India 2020.

Mr. Sandeep Verma compared the American system guidelines of Buy America/Buy American and FAR system vs Make in India guidelines of 2017 and mentioned about the Pune Metropolitan Region Development Authority – PMRDA's increased focus on industrial development in the PMR, in line with 'Make in India' and 'Make for India' initiatives. He supported the commercialization of public funded R&D in India and need to have efficient procurement framework. While closing his introductory



*Mr. Sandeep Verma, Principal Secretary, Government of Rajasthan addressing*

remarks, Mr Verma mentioned Public Procurement & Manufacturing/services, public Procurement & Innovation, Public Procurement & Market Access, Integrity & Efficiency in Public procurement & Impact on GDP Growth as the ways and means through which Public Procurement Impacts Economic Growth.

Building on the momentum, the next speaker Mr. Vinay Vijay Singh, World Bank Lead Partner, KPMG India talked about the world becoming more connected, both developed and



*Mr. Sanjay Aggarwal, Director, Department of Expenditure, Ministry of Finance, Government of India; Mr. Sandeep Verma, Principal Secretary, Government of Rajasthan and Mr. Shish Haider Chowdhury, Director- CPTU, IMED, Ministry of Planning, Government of Bangladesh*



emerging economies are competing more adversely for business opportunities and therefore there is need for protectionism of key product & services. To ensure that these disruptions do not disturb the flow of goods & services, we need to understand the importance of sound data which enables good practice, we need to look at the budget first to know what your policy would be down the road, understand your spend analysis, relationship management between supplier & contractor, skill development, time management and strategic thinking.

After him, Mr. Sanjay Aggarwal, Director, Department of Expenditure Ministry of Finance, Government of India, the next speaker addressed the delegates. He shared some statistics showing that the amount spent on Public Procurement is 20% of GDP comes up to a total of USD 500-600 Billion. He started his discussion with Make in India order. He informed that the focus of definition of MSME is to be changed from investment basis and should be shifted to turnover basis. He also informed about the MSE Procurement Order, claiming that it is applicable for procurement of only Goods or Services and every Central Ministry/ Department/ PSU should carry out minimum 25% of their annual purchases from MSEs, out of which 4% is reserved for SC/ST, while 3% is reserved for women. He also talked about the Make in India Order 2017 and Sustainable Public Procurement, General Financial Rules 2017 provisions.

Emphasizing that the Public procurement is a crucial component of public services delivery, good governance and sustainable economies, Mr Aggarwal also laid the importance of The Methodology for Assessing Procurement



*Mr. Sanjay Aggarwal, Director, Department of Expenditure, Ministry of Finance, Government of India addressing*

Systems (MAPS) to check if the procurement systems differs from global standards.

Followed by Mr Aggarwal, the next speaker, Mr. Chowdhury, shared that Bangladesh public procurement scenario was not in good shape since independence of 1971. The World Bank came in picture in 1999 and the government of Bangladesh has received support from the World Bank to use digital technology to monitor the country's annual development programs and improve the performance of public procurement. Elaborating on the Public Procurement Process in Bangladesh, Mr. Shish Haider presented us the situation of Bangladesh. Their annual budget for the financial year 2019 was USD 53.3 billion with a percentage share of 45.2%. Their share for public procurement in GDP came up to be 8% with a GDP size being USD 303 billion. They have also engaged citizens in their procurement processes by monitoring and training them. They have trained more than 37000 persons including procurement professionals, bidders and other stakeholders. Their trained personnel vary from people who have been trained to provide Short courses, Three week courses, Masters in procurement, International Accredited MCIPS and finally few Trainers. With the help of technology Government has decreased their Procurement time from 94 to 59 days in case of OTM works from FY11 to FY19. This has also increased the efficiency, transparency and competition drastically. On the other hand, it has reduced the cost to a great extent. As a result, their country's doing business rank rose up to 168 from 176. Unemployment drops to 4.29% from 4.39% and CPI inches up to 146th position from 149. This has also saved almost USD 1.05 billion within 7 years.



*Mr. Vinay Vijay Singh, World Bank Lead Partner, KPMG India addressing*

## Special Address

### Mr. Suresh Prabhu, India's Sherpa at G20

Mr. Pranjal Sharma, Economic Analyst, Advisor, an Author and TV personality was the moderator of the special session addressed by Mr. Suresh Prabhu, India's Sherpa at G20. Mr Prabhu mentioned that public procurement is needed to justify to the tax payers, when and how their money is spent by the government. Mr Prabhu talked about government's electronic marketplace for common used goods and services popularly known as GeM. He said that GeM uses technology and saves money in the procurement process. GeM has played very important role in transformation of procurement in significant way. Technology has made procurement not only transparent but also accountable. Mr Prabhu stated the World Bank as an 'Idea Bank'. We must learn the best practices and unlearn the worst for our procurement efficiency.

Mr Prabhu's presence and special address was an encouragement for the Global Procurement summit. In his concluding remarks, he congratulated AIMA on organizing such a summit



*Mr. Suresh Prabhu, India's Sherpa at G20 addressing*



*Ms Rekha Sethi, Director General, AIMA presenting the memento to Mr Suresh Prabhu, India's Sherpa at G20 and Mr Pranjal Sharma, Economic Analyst, Advisor & Author looks on*

## Plenary Session 2

### Growth & Emergence of Public Private Partnership (PPP)

In the second session, "Growth & Emergence of Public Private Partnership (PPP)", chaired by Mr. Kumar V Pratap, Joint Secretary – Infrastructure Policy and Finance, Department of Economic Affairs, Ministry of Finance, Government of India, the speakers were Mr. Maurice E Diamond, Fellow, Chartered Institute of Public Finance and Accountancy, Mr. R K Pandey, Member, National Highway Authority of India, Ministry of Road Transport and Highways, Ms. Hemalatha D, Head – Procurement and Process Improvement, L&T Infrastructure Development Projects Limited and Mr. Harsh Doshi, Director - Technical, R.K.C Infrabuilt Pvt. Ltd

Mr Kumar V Pratap pointed that as per World Bank database from period 1991- 2019, India has had 1086 PPP projects accounting for investment of \$270 billion. We are right at the top though we are experiencing some slowdown. He said that the Indian success story in PPP is based on three elements- first is the institutional mechanism and regulatory framework, second is the standardized procurement documents, and then we have viability gap funding scheme to improve financial viability of the projects.



*Mr. Harsh Doshi, Director - Technical, R.K.C Infrabuilt Pvt. Ltd addressing*

The next speaker, Mr Maurice shared best global practices and how procurement systems varies worldwide and at the same time established the global acceptance of the procurement as one of the key function in governance. The second speaker of the session, Ms. Hemalatha D, elaborated L&T experience of PPP and established that Public-Private Partnerships have been an important form of procurement which helps in providing, buying and enjoying the common



*(L-R) Ms. Hemalatha D, Head – Procurement and Process Improvement, L&T Infrastructure Development Projects Limited; Mr. Harsh Doshi, Director - Technical, R.K.C Infrabuilt Pvt. Ltd; Mr. Kumar V Pratap, Joint Secretary – Infrastructure Policy and Finance, Department of Economic Affairs, Ministry of Finance, Government of India and Mr. Maurice E Diamond, Fellow, Chartered Institute of Public Finance and Accountancy*





*Ms. Hemalatha D, Head – Procurement and Process Improvement, L&T Infrastructure Development Projects Limited*

benefits. She mentioned that L&T Infrastructure Development Projects Limited has handled assets to the tune of Rs57000 crore in the journey of PPP. She further explained that to make PPP happen land acquisition, dispute resolution, policy changes and project cost are important components are land acquisition, dispute resolution, policy changes and project cost. Ms Hemalatha also stated that Political will is the key.



*Mr. R K Pandey, Member, National Highway Authority of India, Ministry of Road Transport and Highways*



*Mr. Maurice E Diamond, Fellow, Chartered Institute of Public Finance and Accountancy*

The next speaker, Mr. Harsh Doshi, shared the case study on Gujarat Roads PPP highlighting how growth and emergence of public private partnership made the project possible. Mr Harsh shared various innovative practices used for Modified Annuity Model, Efficiency & Institutional Strengthening, Green Initiatives, Speed & Efficiency innovation and innovation in addressing social concerns.

The session was concluded by Mr. R K Pandey. He started by sharing statistics about Road Network in India. He highlighted the change in development strategy in the past decade for development of National Highways. He mentioned about the infrastructure challenges faced and how PPP can be a help in overcoming such challenges. Talking about PPP, he stated presence of institutional framework, strong legal/regulatory framework, economic & viable project, transparent & well defined process, dispute resolution mechanism, matured contracting industry & developed financial market as some of the factors responsible for success of PPP projects in road sector. While concluding, he mentioned that the way forward is Development of network - National level plan for PPP, Renegotiation of contracts, Need for regulator, value of money analysis, capacity building for each category, need for regulator.

## Plenary Session 3

### Professionalization of Procurement

The third and the last session on the first day of the summit on “Professionalization of Procurement” was chaired by Mr. Ashutosh Vajpeyi, Joint Secretary, Economic Affairs, Government of Rajasthan. The speakers were, Mr. Xiaoping Li, Senior Procurement Specialist, The World Bank, Ms. Meena Agarwal, Director, National Institute of Financial Management and Mr. Shanker Lal, Lead Procurement Specialist, The World Bank.

Beginning with the proceedings of the sessions, Mr Vajpeyi elaborated that procurement function is handled by either procedure experts, or operations professionals. Finding a combination is a challenge. Professionalization of procurement will happen when it is considered as a subject in itself. He mentioned that there are no separate heads to calculate total procurement of GDP, therefore data analytics is difficult in procurement. Talking about capacity building in procurement, Mr Vajpeyi mentioned that holistic training in procurement is needed instead of training in bits –n – pieces. Interdisciplinary knowledge need to develop. Project management, legal, contract management, economics - these subjects are related and should be covered in procurement knowledge. He also stated some issues related to professionalization of procurement. He said that there is no specific cadre of procurement people in India therefore common perception is that anybody can do procurement. He also mentioned that there is high level of



(L-R) Mr. Ashutosh Vajpeyi, Joint Secretary, Economic Affairs, Government of Rajasthan and Mr. Chenjerani Simon B. Chirwa, Lead Procurement Specialist, Governance Global Practice, The World Bank

expertise available at country level but at sub national level, at local level at panchayat level the expertise is missing. Mr Vajpeyi shared that the Government of Rajasthan spent Rupees 300-400 crore on training or education on procurement. The training need analysis was conducted by Rajasthan and it was found that more than 1,00,000 people need to be trained in procurement in various skills.

The next speaker, Mr. Xiaoping Li mentioned elements to build a professionalization in procurement including the career path, quality standards and education and training.



(L-R) Mr. Shanker Lal, Lead Procurement Specialist, The World Bank; Mr. Xiaoping Li, Senior Procurement Specialist, The World Bank; Mr. Ashutosh Vajpeyi, Joint Secretary, Economic Affairs, Government of Rajasthan; Mr Arun Kapoor, Deputy Director, AIMA and Ms. Meena Agarwal, Director, National Institute of Financial Management





*Mr. Shanker Lal, Lead Procurement Specialist, The World Bank*

After Ms Agarwal, the day one session ended with inputs from Mr. Shanker Lal. Mr Lal shared the status of various procurement professionalization initiatives in India. He mentioned about various courses offered by All India Management Association and other institutions with technical support of World Bank on procurement, contract/project management and contractual dispute resolution. He also cited about free programs available on MOOC. Mr Lal mentioned about certificate program in Public Private Partnership which All India Management Association is shortly planning to launch with support of the Bank. He talked about country procurement assessment which was commissioned in partnership with Procurement Policy Division (PPD) of Government of India with the objective to assess the functionality of India procurement system and to provide suggestions for improvement, and Procurement Observatories supported by the World Bank. In his concluding remarks he shared about the idea of forming Public Procurement Professionals Association of India which is still under discussion.

The World Bank's role in procurement was explained by Xiaoping in two simple words – assurance and advice. As stated by him, the World Bank is not doing any procurement themselves rather is playing a strategic role in procurement. While making inter-country comparison, Mr Li also shared that in Africa region there are universities offering procurement programmes. They need faculty to train their faculty. In US and Canada, emphasis is given to develop procurement expertise. China offers few courses but no certification in form of diploma etc. there are no positions in government of procurement professionals.

Ms. Meena Agarwal who presented her presentation after Mr Li, pointed out the need for training in procurement. She stated that professionalization of procurement is required to improve competency, develop a code of ethics, create a community for sharing knowledge and best practices and to explore research and development area of procurement. She also explained the basket of courses offered by National Institute of Financial Management to build procurement.



*Mr. Ashutosh Vajpeyi, Joint Secretary, Economic Affairs, Government of Rajasthan*

## Plenary Session 4

### Dispute Avoidance and Resolution in Contracts

The second day at the GPS 2020 started with the fourth plenary session on “Dispute Avoidance and Resolution in Contracts” chaired by Mr Bisma Husen, Principal Procurement Specialist at Asian Development Bank, and addressed by Mr. Sanjeev Ahuja, Director, Ensemble Resolution Professionals, Mr. Srinivas Kotni, Founder & Managing Partner, Lexport, Mr. D. Jebaselwin Gladson, Additional General Manager - Contract Management, Chennai Metro Rail Limited, Mr. Mehernosh Shapoorjee, Co-Founder, Director, Mediation Mantras

Mr Bisma Husen, Principal Procurement Specialist at Asian Development Bank started the session by establishing the strong need of dispute avoidance and resolution in contracts in India.

Followed by the chairperson, the next speaker, Mr. Sanjeev Ahuja, spoke about “Mediation”. Mr Ahuja started his presentation by mentioning that Mediation is an art and a science. He further explained the concept of mediation, why mediation is needed and the benefits it offers. Some of the advantages shared include volunteer exercise, confidential proceedings, fully flexible, cost effective, time effective, relationships are saved, no one loses to make



*Mr. D. Jebaselwin Gladson, Additional General Manager - Contract Management, Chennai Metro Rail Limited*

other win. Mr Ahuja shared how mediation is done as a process. He emphasized on the training in mediation and added that soft skills play more important role in the process. His presentation also educated the audience on the role of law, government or judiciary. He shared few concerns in mediation such as less awareness and people are unsure



*(L-R) Mr. Mehernosh Shapoorjee, Co-Founder, Director, Mediation Mantras; Mr. Sanjeev Ahuja, Director, Ensemble Resolution Professionals; Mr. Bisma Husen, Principal Procurement Specialist, Asian Development Bank; Mr. Srinivas Kotni, Founder & Managing Partner, Lexport and Mr. D. Jebaselwin Gladson, Additional General Manager - Contract Management, Chennai Metro Rail Limited*

about it. He ended his presentation with a suggestion to create a Mediation Centre within the companies.

Post his presentation, Mr. Srinivas Kotni, shared the facets of arbitration law as mechanism to settle disputes in more formal and mechanical way by saving time and resources. After explaining the definition and its various clauses, he differentiated between Arbitration organizations as ad-hoc and institutional. In his presentation he shared the list of some of the prominent institutions which conduct institutional arbitration. He emphasized on the basic key points of the arbitration act and its council. He then listed few functions of the council such as promoting and encouraging arbitration, mediation, etc and policy formulation.

The next speaker for the session, Mr. D. Jebaselwin Gladson, shared his views about dispute adjudication boards (DAB) in Indian scenario as mechanism for dispute resolution. He started his presentation by talking about types of contracts and reasons for disputes in the contracts. Alternative dispute resolution benefits of DAB were discussed. While emphasizing upon the benefits of DAB, Mr Gladson stated that since in DAB, members are familiar with site issues, they can make valuable opinion to avoid dispute arising,



*Mr. Mehernosh Shapoorjee, Co-Founder, Director, Mediation Mantras*

members of DAB can be an expert advisor to both parties; particularly for Government, having dispute adjudication board as third party observer, they make a psychological pressure on both parties to follow diligence; also DAB decision in 84 days is attractive and makes it cost effective. He concluded by giving suggestions that ADR shall be made mandatory before arbitration, Upto some limit of claims, DAB can be the only resolution process after which direct litigation is resorted to.

Addressing the gathering, the last speaker for the session, Mr. Mehernosh Shapoorjee, represented Singapore International Mediation centre. Supporting the mediation, he mentioned that in the process the actual problem can be identified and later the alternative solutions can be proposed. He shared about the Singapore Infrastructure Dispute-Management Protocol – SIDP, a protocol launched by Singapore's Ministry of Law for the appointment of a dispute board to assist in the management of potentially contentious matters or disputes between parties in mega infrastructure construction projects. He also mentioned about cross boarder litigation & its enforce ability. He talked about Singapore convention on Mediation and India being one of the first signatories for the convention.



*Mr. Sanjeev Ahuja, Director, Ensemble Resolution Professionals*



## Plenary Session 5

### Technology in Procurement: e Procurement, e-RA, AI, Big Data, IoT and Robotics

The fifth plenary session of GPS 2020, on “Technology in Procurement: e Procurement, e- RA, AI, Big Data, IoT and Robotics” was chaired by Mr. Tallen Kumar, Chief Executive Officer, Government e-Marketplace and addressed by Dr. Neeta Verma, Director General, National Informatics Centre, Ministry of Electronics and Information Technology, Mr. Michael Graeme Osborne, Senior Procurement Specialist, The World Bank and Mr. P V V Satyanarayana, General Manager, Centre for Railway Information Systems.

Mr. Tallen talked about the shift from rate contracts to market place – GeM. It is part of change management in India and every state is on GeM. The way digitalization and technology is coming in platform, it is providing inside into procurement which was not there before. He also talked about transparency inclusiveness and cost saving becoming synonymous with GeM. He while addressing audience mentioned that GeM has brought government to people, Policy directives to actionable practices are communicated and reaching through GeM. GeM also helps in translating policy intents. It has been a partner in growth stories of MSME and entrepreneurs in India. Mr Tallen shared highlights of GeM, including zero time, zero cost,



*Mr. Tallen Kumar, Chief Executive Officer, Government e-Marketplace*

*(L-R) Mr. Tallen Kumar, Chief Executive Officer, Government e-Marketplace; Mr. Michael Graeme Osborne, Senior Procurement Specialist, The World Bank; Dr. Neeta Verma, Director General, National Informatics Centre, Ministry of Electronics and Information Technology and Mr. P V V Satyanarayana, General Manager, Centre for Railway Information Systems*





*Dr. Neeta Verma, Director General, National Informatics Centre, Ministry of Electronics and Information Technology*

predictability of rules, holding all stakeholders together and transparency.

He ended his session by putting on record that digital supplychain infrastructure will be possible by using blockchain on GeM, soon. AI, deep learning, big data will soon be incorporated in GeM. He mentioned that they are also ready for works procurement on GeM.

The first speaker for the session, Dr. Neeta Verma, spoke on the wide spectrum of services offered by NIC. She mentioned that NIC is present in all tiers of government, it is one of its kind of organization in the world. NIC touches everyone in the country in some or the other way and also interacts with travelers coming to India. She mentioned that NIC has a wide spread and integrated presence in India's procurement systems and its ecosystem. Technology integration is a special feature of NIC. NIC is building data analytics and presents information in form of dash boards.

Dr Verma in her concluding remarks mentioned that fraud analytics module will be soon integrated in the NIC.

The next speaker for the session, Mr. Michael Graeme Osborne, prepared a presentation and shared his experience of use of blockchain in pharmaceutical supply chain, and how blockchain is also used for land management, agricultural equipments. Mr Osborne further elaborated on creating an historic procurement dataset; data preprocessing with supervised learning.

The fifth session ended with presentation from Mr. P V V Satyanarayana. He spoke on ' E-Procurement in Indian Railways'. He mentioned the platform is developed internally by CRIS – IT hub of railways. He shared in length about the features of the platform used for procurement of goods and services. Online tender decision system of railways was also shared along with various screen shots of the process.

Along with the panelist, some the session queries were answered by Ms Usha Saxena, Head of Department, e-Procurement Division, NIC.



*Mr. Michael Graeme Osborne, Senior Procurement Specialist, The World Bank*

## Plenary Session 6

### Sustainable Procurement: A way forward

The last session of GPS 2020, on “Sustainable Procurement: A way forward”, was chaired by Dr. Srikanta K. Panigrahi, Director General, Indian Institute of Sustainable Development and addressed by Ms. Manmeet Kaur Nanda, Joint Secretary, Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Ms. Anubha Prasad, National Coordinator, United Nations Environment Programme and Mr. Ishtiaq Siddique, Senior Procurement Specialist, The World Bank. Dr Panigrahi spoke on climate change and how we need to sustain our earth and environment. He explained how sustainability is important for procurement. He shared about E-trading sustainability policy. He suggested that it should be a clause in the tenders about how sustainability is the produce.

Dr Panigrahi also shared the UN-Framework for sustainability Policy.

Ms. Manmeet Kaur Nanda, the first speaker talked about Public Procurement Preference to Make in India order. While elaborating on PPP –MII order, Ms kaur shared that the order is applicable for all types of procurement of goods, services



*Ms. Manmeet Kaur Nanda, Joint Secretary, Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry*

or works across all government departments. She further mentioned how Government of India is promoting domestic suppliers by following this order. She also gave us an oversight of CVC and GeM portals. She talked about the



*(L-R) Ms. Manmeet Kaur Nanda, Joint Secretary, Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry; Dr. Srikanta K. Panigrahi, Director General, Indian Institute of Sustainable Development; Ms. Anubha Prasad, National Coordinator, United Nations Environment Programme and Mr. Ishtiaq Siddique, Senior Procurement Specialist, The World Bank*





*Mr. Ishtiaq Siddique, Senior Procurement Specialist, The World Bank*

Monitoring Mechanism followed by Department for Promotion of Industry and Internal Trade by having a standing committee headed by secretary of department along with the directions of cvc, it is made sure that all the provisions of the order are followed all the time. She also listed some of the common discrepancies shared during tendering process and the actions taken by Nodal Ministries/Dep. She ended up by some success stories of Make In India projects

The second speaker for the session, Ms. Anubha Prasad, began with defining Sustainable Public Procurement as per United Nations Environment Program which gives a special emphasis on life cycle and achieving value for money thereby reducing the negative impacts of the environment. She claimed that as we do not have an alternative planet, we need to really start caring for our planet Earth. She stated an example of Delhi Metro Rail Corporation (DMRC) used life cycle cost basis. In her address she also briefed about ecomark status which is given by BIS and is an addition to the ISI

certification. In her concluding remarks Ms Prasad highlighted the Challenges faced by Procurers to roll out sustainable Procurement.

The last speaker for the session, Mr. Ishtiaq Siddique, started addressing the audience by defining sustainable procurement as per 1987 Brundtland Commission Report. He explained the three pillars of sustainability as: economic, environmental and social. Economic aspects have characteristics of economic regeneration and development, emerging markets, development of SMEs, total cost of ownership and LCC and value for money. Environmental aspects mainly include urban planning, CO2 reduction and alternative sources of energy and Social aspects focused mainly on human rights, clean drinking water, health and safety. Mr Siddique shared the World Bank procurement process and presented in detail about the sustainability evaluation methodology and criteria required for it. He suggested that monitoring, penalties and bonuses for the contractors to maintain sustainability standards should be specified in the contracts.



*Ms. Anubha Prasad, National Coordinator, United Nations Environment Programme*

## Valedictory Session

After two day discussion during Global Procurement Summit 2020, the valedictory session was marked by the presence of Mr. Sanjay Aggarwal, Director, Department of Expenditure, Ministry of Finance, Government of India and Mr. Chenjerani Simon B. Chirwa, Lead Procurement Specialist, Governance Global Practice, The World Bank, Dr Raj Agrawal, Director, All India Management Association and Dr Gurbandini Kaur, Program Director-GPS.

Mr Sanjay Aggarwal shared that most of the procurement is happening through online portals and there are various platforms already available. We need to have integration and standards. He further mentioned that arbitration amount sometimes is higher than the cost of the contract itself, therefore solutions should be part of the contracts. Mr Aggarwal also concluded the learnings.

Mr. Chenjerani Simon B. Chirwa presented the valedictory remarks. In his remarks he mentioned that technology is the answer to many procurement issues. We need to build states' capabilities in procurement. Suggestions to improve public procurement can come from any stakeholder. He also mentioned about having a debate on risk distributions in the procurement systems and policies.

Dr. Raj Agrawal, touched open evolution of Procurement as a core subject. He mentioned that it was part of the



*Dr Raj Agrawal, Director, All India Management Association*

operations management, later of the supplychain management and now it has gained the status of corporate strategy.

Dr Gurbandini Kaur, concluded the two day Summit by sharing AIMA's journey and role in promoting professionalism in Procurement and bringing best practices on a single platform. She thanked all the partners, sponsors, the participants and the support team from AIMA.

She ended by welcoming all to the next edition of GSP 2021.



*Dr Gurbandini Kaur, Program Director, Global Procurement Summit; Mr. Sanjay Aggarwal, Director, Department of Expenditure, Ministry of Finance, Government of India;*

*Mr. Chenjerani Simon B. Chirwa, Lead Procurement Specialist, Governance Global Practice, The World Bank and Dr Raj Agrawal, Director, All India Management Association*



## Recommendations of GPS 2020

During the deliberations of two day Global Procurement Summit 2020 the following important recommendations pertaining to each session were made for further considerations:

### Role of Procurement in Economic Growth

- Timely appeals process – Steps should be taken to allow for a system where we file appeal in time and get decision in time. Civil appellate system which is efficient and timely should be followed.
- Contract administration should be made efficient.
- To ensure that the uncertainties do not disrupt the flow of goods and services that enable sustaining of economic growth, we should ensure that there is proper spend analysis done along with usage of sound data and technology.

### Growth & Emergence of Public Private Partnership (PPP)

- Factors responsible for PPP project success-
  - Presence of institutional framework
  - Strong legal/regulatory framework
  - Economic & viable projects
  - Transparent & well defined process
  - Dispute resolution mechanism
  - Matured contracting industry & developed financial market.
- Steps suggested to encourage PPP projects are-
  - Completion of pre-construction activities before awarding
  - Modification of documents based on feedback received from industry
  - Efficient dispute resolution/conciliation should be followed. There is need for regulator who acts as arbitrator or conciliator between authorities
  - An efficient grievance redressal mechanism through electronic mode should be followed
  - Development of network - National level plan for PPP
  - Renegotiation of contracts since one can't anticipate all conditions in long term contract
  - Value for money analysis should be done before going for PPP project

- Capacity building for each category whether contractor or consultant is required.
- Some other recommendations are-
  - Development of Dedicated freight Corridor, Delhi Mumbai Industrial Corridor, and Development of multimodal transport.
  - Dispute Resolution Mechanism should be in place which minimizes the disputes and if it arises there should be adherence of time frame and award given should be accepted by parties and not to go for perpetual litigation.
  - Land acquisition is still a challenge and needs to be expedited.

### Professionalization of Procurement

- Holistic training in procurement is needed instead of training in bits –n – pieces. Interdisciplinary knowledge need to develop. Project management, legal, contract management, economics - these subjects are related and should be covered in procurement knowledge
- Specialized diploma and training courses in procurement is required
- Certain system should be in place to check the quality standards for Practitioners, for testing certification which is required to practice, code of conduct and compliance status should be maintained. Also there is need for some association to regulate all this competency elements.

### Dispute Avoidance and Resolution in Contracts

- Since there are challenges faced in Arbitration as Dispute Resolution Mechanism, therefore, there is need for Appropriate Dispute Resolution mechanism called Mediation.
- Mediation Centre should be created within the companies.
- There should be committee of minimum three people to take decision on mediation instead of having one person
- India needs to promote institutional arbitration where a specialized institution with a permanent character aids and administers the arbitral process. Such institutions may also provide qualified arbitrators empaneled with the institution, lay down the fee payable and the mode of submission of documents.

- ADR shall be made mandatory before arbitration. Upto some limit of claims, DAB can be the only resolution process after which direct litigation is resorted to.

#### **Technology in Procurement: e Procurement, e-RA, AI, Big Data, IoT and Robotics**

- To maximize the use of e-platforms, more disruptive technological tools like block chain, robotics, and artificial intelligence should be used. Example we can have smart contracts through block chain technologies.
- Procurement of works can be done through e-portal like GeM
- Creation of one portal, which reflects all EPC contracts, best procurement practices, standard bidding documents so that it reduces disputes, saves money, brings more quality and gives more confidence.
- For front end, we may have one intelligent interface in form of information wizard which will ask simple questions and do dynamic decision making.

#### **Sustainable procurement- A Way forward**

- Acceptability of definition and understanding of Sustainable Public Procurement is required. Clear difference between green procurement and sustainable procurement should be made.
- Sustainable Public Procurement criteria needs to be built in a comprehensive manner which is easily understood by Procurers, Supply Chain & MSMEs involved in it.
- Sustainability should be established as business case to advocate Sustainable Public Procurement and to gain more interest from government and public.
- Incentives in terms of interest from market / Government Procurement Policies is required.
- Risk mitigation framework in form of bank guarantee or performance guarantees is required which is at nascent stage in India.
- Monitoring, penalties and bonuses for the contractors to maintain sustainability standards should be specified in the contracts.



**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](mailto:gps@aima.in), Website: [www.aima.in](http://www.aima.in)