



सत्यमेव जयते  
Ministry of Finance  
Government of India

**AIMA**

ALL INDIA MANAGEMENT ASSOCIATION

# Global Procurement Summit 2021

Procurement as Enabler for  
COVID-19 Emergency Response

3-4 February, 2021



**REPORT**

Supported by







# GLOBAL PROCUREMENT SUMMIT 2021

PROCUREMENT AS ENABLER FOR  
COVID-19 EMERGENCY RESPONSE

3-4 February, 2021  
Virtual Convention in online mode

## REPORT

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# Global Procurement Summit 2021

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## About AIMA

The All India Management Association (AIMA) is the national apex body of the management profession in India. AIMA is a not for profit, non-lobbying organisation, working closely with Industry, Government, Academia and students to further the cause of the management profession in India.

AIMA has a membership base of over 38000 members and close to 6000 corporate /institutional members, through 67 Local Management Associations affiliated to AIMA; and is represented on a number of policy making bodies of the Government of India and national associations.

Established in 1957, AIMA has contributed immensely to the enhancement of management capability in the country over the years. AIMA offers various services in the areas of testing, distance education, skill development & training, research, publications, executive education and management development programmes.

Over the past six decades, AIMA has evolved as times have changed and catered to the growing needs of today's management community. Apart from its flagship Post Graduate Diploma in management, AIMA offers topical and industry-oriented programmes and initiatives to help management professionals and students keep in step with times; while offering state of the art business solutions for organisations and institutions.

As the pioneer of Distance Education, AIMA has always been an early starter, even in the digital space. AIMA was amongst the first mover organisations to offer Internet Based Remote Proctored Tests on a national level; and among the first to shift its service offerings online. AIMA quickly built digital expertise and now has the capability to offer its management programmes and business solutions in the physical, virtual and hybrid mode; as per industry requirements.

AIMA also brings to the Indian managers, the best management practices and techniques through numerous foreign collaborations with professional bodies and institutions. AIMA is an important and long-time member of the Asian Association of Management Organisations (AAMO), which promotes professional management in the Asia Pacific region. India (AIMA) took over the Presidency of AAMO in 2019 and will hold the AAMO Secretariat for the next three years. In addition, AIMA has developed close associations with several leading international Universities and Institutions including University of Berkeley - California, UC Santa Cruz - California, St Gallen Symposium, Horasis, The World Bank to name a few.

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# GLOBAL PROCUREMENT SUMMIT 2021

## Procurement as Enabler for COVID-19 Emergency Response

**3-4 February, 2021 | Virtual Convention in online mode**

### INTRODUCTION

The COVID-19 pandemic has made us realize the importance of efficient public procurement by the governments around the world. The pandemic has put an enormous strain on global supply chain, interrupting delivery of raw materials and finished goods.

At the onset of the pandemic, procurement departments switched to crisis-management mode to alleviate supply chain related challenges, while sourcing personal protective gear for its officials and helping the contractors in minimizing liquidity crunch.

Due to the pandemic, everything planned for 2020 and perhaps 2021, majorly concerning with global procurement and supply chain landscape has been upended by Covid-19. Recalibration of strategies is being done in order to save costs, drive value, innovate and build agility and resilience. Surrounded by this volatility, procurement teams need to explore more on new methods of procurement, focus on dispute resolution arising especially due to pandemic and work on automation of the entire procurement process to survive and sustain in these tough times ahead.

All India Management Association (AIMA), an apex body of management profession in India, joined hands with the Ministry of Finance, Government of India, the World Bank, the Asian Development Bank and other international/national partners for bringing together the most senior and regional procurement community to examine the challenges faced during emergency situations and also explore possible solutions to the challenges faced, through the Global Procurement Summit 2021.

The summit provided a platform for discussion and exchange of ideas between senior officials engaged in public procurement at central and state public entities and the key bidding communities represented by manufacturers, suppliers, contractors and consultants. The key objective of the summit was to discuss impact of COVID-19 on procurement and contract management functions and come out with recommendations for the way forward. The summit was organized on February 3-4, 2021 through AIMA's digital platform wherein experts in procurement from around the world participated to deliberate and share their knowledge on the following six themes –

- Lessons learned for Contract Management and Dispute Resolution after one year of COVID-19
- Controlling fraud, corruption and other undesirable practices in emergency procurement and supply management
- Procurement adjusting to new realities – Automation, AI/ML
- Can PPP help cash-starved governments in boosting infrastructure?
- Addressing COVID-19 related challenges in Infrastructure Projects
- Challenges and opportunities for health commodities procurement and distribution, particularly COVID-19 vaccines



# GLOBAL PROCUREMENT SUMMIT 2021

## Procurement as Enabler for COVID-19 Emergency Response

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### SUMMIT AGENDA

#### Day 1: Wednesday, 3 February 2021

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1000 – 1100 hrs	<b>Inaugural Session</b>
Introductory Remark	<b>Ms Rekha Sethi</b> Director General, All India Management Association
Welcome Address	<b>Mr Harsh Pati Singhania</b> President, All India Management Association
Special Address	<b>Mr Junaid Kamal Ahmad</b> Country Director-India, World Bank
Special Address	<b>Mr Takeo Konishi</b> Country Director, Asian Development Bank
Inaugural Address	<b>Shri Pratap Chandra Sarangi</b> Minister of State, Ministry of Micro, Small & Medium Enterprises Government of India
<i>Release of Souvenir by Chief Guest Release of Summit Souvenir</i>	
Vote of Thanks	<b>Dr Raj Agrawal</b> Director, All India Management Association

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1105-1250 hrs

#### **Plenary Session 1**

Lessons learned for Contract Management and Dispute after one year of COVID-19

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Chairperson	Mr Sanjay Aggarwal Advisor, (Procurement Policy Division), Ministry of Finance Government of India
Panelists	<b>Mr K.R.M Rao</b> Executive Director(C&P), GAIL (India) Limited, India
	<b>Ms Pratibha Jain</b> Founding Partner, Nishith Desai Associates, India
	<b>Ms Deepika Kinhal</b> Lead (Judicial Reforms) & Senior Resident Fellow Vidhi Centre for Legal Policy, India

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1300– 1445 hrs

**Plenary Session 2**

Controlling fraud, corruption and other undesirable practices in emergency procurement and supply management

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Chairperson

**Mr K Rajendran**

Chief Vigilance Officer, Cochin Shipyard Limited

Panelists

**Mr Mihály Fazekas**

Assistant Professor, Central European University, Non-resident Research Fellow, University of Cambridge (UK) and Senior Research Associate, The University College London

**Ms Yamini Sarangi**

Managing Director  
Odisha State Medical Corporation, India

**Ms Bernadine Fernz**

Global Head of Infrastructure, Open Contracting Partnership (UK)

**Mr Gaurav Godhwani**

Co-Founder and Director, Civic Data Lab (India)

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1445-14.55 hrs

Audio-Visual Presentation on Public Procurement Professional Association of India (PPPPI)

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1600-1745 hrs

**Plenary Session 3**

Procurement Adjusting to New Realities: Automation, AI/ML

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Chairperson

**Dr Rajeev Kandpal**

JS & Chief Financial Officer, Government e-Marketplace  
Ministry of Commerce & Industry, Government of India

Panelists

**Mr Mayank Mehrotra**

Director, Deloitte India

**Ms Eliza Niewiadomska**

Senior Counsel-Public Procurement  
European Bank for Reconstruction and Development

**Mr Ashutosh Dutta**

Senior scientist and 5G Chief Strategist  
Hopkins University Applied Physics Laboratory (JHU/APL), USA

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1745 hrs

**End of Day 1**

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## Day 2: Thursday; 4 February 2021

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1130 – 1135 hrs

Welcome to Day 2

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1135 – 1315 hrs

### Plenary Session 4

Can PPP help cash-starved governments in boosting infrastructure?

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Chairperson

**Mr Baldeo Purushartha**

Joint Secretary (Infrastructure Policy & Finance), DEA, Ministry of Finance, Government of India

Panelists

**Mr Maurice Diamond**

PPP Expert, IPATS, London

**Mr Vikash Kumar Sharda**

Partner, Infranomics Consulting LLP, India

**Mr Amandeep Singh Virk**

PPP Expert, India

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1330 – 1515 hrs

### Plenary Session 5

Addressing COVID-19 related challenges in Infrastructure Projects

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Chairperson

**Ms Elmas Arisoy**

Practice Manager, Solution and Innovation in Procurement  
World Bank, Washington DC

Panelists

**Mr Kanwal Preet**

Director, Public Procurement Division  
Ministry of Finance, Government of India

**Mr BB Mishra**

VP & Head Supply Chain  
Dedicated Freight Corridor Corporation of India Limited, India

**Mr Ajay Kumar**

Executive Director  
Dedicated Freight Corridor Corporation of India

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1515-1525 hrs

Audio-Visual Presentation on Public Procurement Professional Association of India (PPPPI)

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1525 – 1615 hrs

**Break**

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1615 – 1800 hrs

**Plenary Session 6**

Challenges and Opportunities for health commodities procurement and distribution, particularly COVID-19 vaccines

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Chairperson

**Mr Jeff Taylor**

Director, Procurement Division, ADB, Manila

Panelists

**Mr Vinod G Pillai**

Vice President (Sourcing), HLL Life Care Limited, India

**Mr Steve Guppy**

Director of Procurement, Crown Agents, UK

**Prof Prashant Yadav**

Senior Fellow, Centre for Global Development and Affiliate Professor of Technology and Operations Management INSEAD, Washington DC

**Ms Anna Pinto Hebert**

Senior Operations Officer

Preventive Services (Integrity), World Bank, Washington DC

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1800 – 1815 hrs

Wrap - up and closing

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## INAUGURAL SESSION

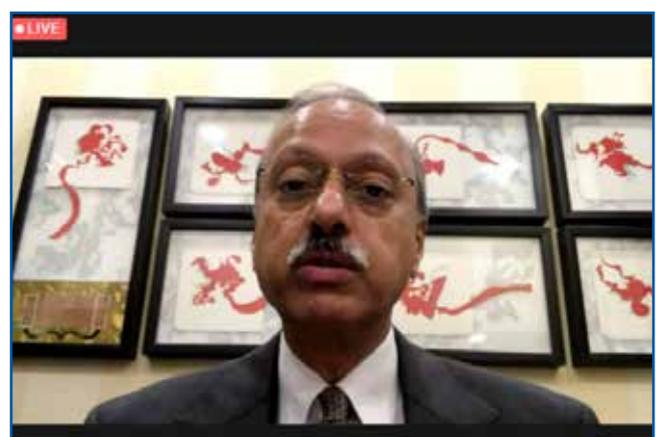


*From Top (L-R): Mr Pratap Chandra Sarangi, Minister of State, Ministry of Micro, Small & Medium Enterprises, Government of India; Ms Rekha Sethi, Director General, AIMA; Mr Takeo Konishi, Country Director, Asian Development Bank; Dr Raj Agrawal, Director, AIMA and Mr Junaid Kamal Ahmad, Country Director-India, World Bank*

AIMA's Sixth Procurement Summit 2021 commenced with an inaugural session moderated by an esteemed panel comprising of Mr. Junaid Ahmad, Country Director, India, World Bank, Mr. Takeo Konishi, Country Director, Asian Development Bank, Mr. Harsh Pati Singhania, President AIMA, Dr. Raj Agrawal, Director AIMA and Ms. Rekha Sethi, Director General AIMA.

The session started with a welcome address from Ms. Rekha Sethi highlighting 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. Ms. Rekha appreciated the support from Government of India and Multilateral Development Banks for organizing this event. She mentioned that this is best time to focus on new ways of procurement as the organizations need the procurement teams to save money and ensure liquidity while also building resilience in the supply chain. Stating the importance of this summit, she mentioned that various plenary sessions planned in this summit would help in evaluating what has happened in the recent past and what could be done in the future.

Following Ms. Rekha Sethi, Mr. Harsh Pati Singhania, President AIMA, welcomed the esteemed panelists and dignitaries in the audience. He then elaborated on how COVID-19 has impacted various components of supply chain and how procurement had been a key enabler in emergency response. He highlighted that procurement function is set for a major technological upgrade. He also stated that many sources have been now made online and still more procurement functions are getting digitized and automated.



*Mr Harsh Pati Singhania then President, All India Management Association and Vice Chairman & Managing Director, JK Paper*



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

Moving ahead from the trying times, Mr. Singhania suggested that the pressure to procure the best and the cheapest would require careful balancing of sourcing from local companies (especially MSMEs) and the more comparative global suppliers and emphasized that the local suppliers should be given a higher priority to restore the disrupted supply chain. He also mentioned that digitalizing and automating the local vendors will be crucial for efficiency and resilience and stated that Collaborative Procurement is an area of importance in post-COVID scenario.

The inauguration was marked by special address of Mr. Junaid Kamal Ahmad, Country Director-India, The World Bank. He applauded the work done by AIMA in partnership with the World Bank in the past to establish itself as a centre for discussion, debates and dialogues for capacity building on Procurement across South Asia. He appreciated the efforts made by the Governments across the World, at the cost of slowing down the economy, in order to fight the pandemic. He praised the rapid turnaround achieved by the Indian Government from importing all the basic amenities like Personal Protection Equipment (PPE) kits, masks, etc. at the start of pandemic times to now becoming a major exporter of these goods. Mr. Junaid Ahmad further appreciated the government's initiatives on e-Procurement and mentioned that it responded in extraordinary way.

Sharing his learnings from the procurements made by various governments during pandemic time, Mr.

Junaid Ahmad mentioned that the way in which Governments procure is the way in which they govern. Concluding his address, Mr. Junaid Ahmad mentioned that this pandemic is a wakeup call for us to understand the impact of climate change and highlighted the importance of this summit in drawing the learnings from the past to become more future ready.

Following Mr. Junaid Ahmad, Mr. Takeo Konishi, Country Director, ADB delivered his special address for the summit. He appreciated the strong response from the Indian Government to mitigate the impacts of pandemic and stated ADB's contribution in supporting government's initiatives. He mentioned that ADB has supported India with \$1.5 billion under COVID active response and expenditure support programme and \$2 million technical assistance for capacity building for improving implementation of government's COVID-19 response.



*Mr Takeo Konishi, Country Director, Asian Development Bank*

He stated that the importance of having an optimum procurement facility in effectively responding to COVID-19 modalities and concluded by wishing success for this summit.

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 Global Procurement Summit.

## SPECIAL ADDRESS

**Mr. Pratap Chandra Sarangi, Minister of State  
Ministry of Micro Small and Medium Enterprise, Government of India**



*Mr Pratap Chandra Sarangi, Minister of State, Ministry of Micro, Small & Medium Enterprises, Government of India*

Mr. Pratap Chandra Sarangi mentioned that the Indian Economy was adversely affected due to the pandemic, health sector suffered an unprecedented loss due to this crisis and government were compelled to take several life saving measures. He applauded the efforts made by the Hon'ble Prime Minister in motivating the country to face this situation boldly and quoted his saying "Jaan hai toh Jahan hai". He mentioned that during this time, the Government of India launched Garib Kalyan Package among various other packages to boost our economy.

Stating the emphasis on procurement in the recent Union Budget 2021, Mr. Pratap Chandra Sarangi expressed that procurement could be a big boost to the country in such a crisis. He mentioned that public procurement adds up to 20-30% of the GDP and almost half of the government's budget. He further mentioned that Public Procurement Policy for MSME 2012 had mandated that every central department, ministry and PSU to set an annual goal of procurement from MSME sector for achieving an overall target of 25% of the total public procurement from MSME. Further, he highlighted the contribution of GeM portal in growth of MSME sector.

Mr. Pratap also highlighted the depleting importance of nature and biodiversity amidst increased construction & infrastructure development and stressed on the need for adequate human behavior for sustainable eco-friendly development. Mr. Pratap further mentioned that government has developed SAMADHAAN and CHAMPIONS portal for dispute resolution in MSME sector. With utmost focus on digitalization by the government, procurement will act as a key driver for its success. However, there is a need for integration of supply chain network across different platform for rapid transformation.

He further mentioned about the Government's initiative for developing a self-sustainable nation, known as the Atmanirbhar Bharat Yojana. He also mentioned another package worth around INR 3,00,000 crore announced by the Government of India that provides collateral free loan for boosting the manufacturing sector and assist small scaled manufacturers in the country. He further stressed that Indian Government is determined to provide a very favorable market to small scale manufacturers/ businesses and provide handholding support for economic rejuvenation and attaining the national target of reaching \$5 trillion economy.

## Plenary Session 1

### Lessons learned for Contract Management & Dispute Resolution after one year of COVID-19

The first plenary session of the summit on “Lessons learned for Contract Management & Dispute Resolution after one year of COVID-19” was chaired by Mr. Sanjay Aggarwal, Procurement Policy Division, Ministry of Finance, Government of India. The speakers for this session included Mr. KRM Rao, Executive Director (C&P), GAIL (India) Limited, Ms. Pratibha Jain, Partner, Nishith Desai Associates and Ms. Deepika Kinhal, Lead (Judicial Reforms) and Senior Resident Fellow, Vidhi Centre for Legal Policy.

Mr. Sanjay Aggarwal initiated the proceedings of the session by mentioning the steps taken by the Government of India for supporting public procurement in view of the COVID-19. Mr. Sanjay dwelled on the instructions issued by the Government of India and explained its importance in supporting the public procurement. These instructions included returning of performance security to the contractor/ supplier proportional to supplies made/ contract work completed to the total contract value, extending the completion of contractual obligations, scheduled for completion on or after 20th February, 2020, for a period not

less than three (3) months and not more than six (6) months without any financial implication and no global tenders up to INR 200 crore, unless approved by cabinet secretariat among others.

Mr. Sanjay Aggarwal then elaborated on the instructions issued by the Government of India under the Atmanirbhar programme that included reduction of performance security from 5-10% to 3% and no provisions for monetary Bid Security in the Bid documents to alleviate the financial crunch faced by the contractors.

The next speaker for this session, Mr. KRM Rao made a detailed presentation on “Challenges faced by Contractors and Employees during COVID-19 and how same were addressed”. Some of the challenges discussed during the session included availability of labour and material, availability of cash flow to the contractors, increase in cost of inputs and access to lending. Mr. Rao then explained the initiatives taken by GAIL for addressing these issues. These initiatives included payment of manpower charges to contractors for lockdown period, faster payment to



*Ms Deepika Kinhal, Lead (Judicial Reforms) & Senior Resident Fellow Vidhi Centre for Legal Policy; Mr Sanjay Aggarwal, Advisor, (Procurement Policy Division), Ministry of Finance, Government of India; Ms Pratibha Jain, Founding Partner, Nishith Desai Associates and Mr K.R.M Rao, Executive Director(C&P), GAIL (India) Limited*

contractor to provide liquidity, reduction of security deposit to 3% from existing 10% in ongoing and new contract, relaxation of timelines for submission of security deposit and early disbursement of mobilization advances in two installments of 5% each among others.

Further, Mr. KRM Rao talked on technological interventions that were considered for improving the tendering process and measures taken for minimizing the paperwork and promoting digitalization of key procurement activities. He further explained the challenges faced by employees during the COVID-19 and presented the actions taken by GAIL for enhancing efficiency, building motivation and ensuring wellness of its employees.

Following this presentation, Ms. Pratibha Jain talked about the impact of COVID-19 on Contract Management and Dispute Resolution and elaborated on the critical issues and the outputs from a legal standpoint. She mentioned that the Government of India (GOI) issued an official memo declared that in view of disruption of supply chains due to spread of COVID-19, a natural calamity, force majeure clause may be invoked whenever considered appropriate, following due procedure. However, the force majeure clause remains missing in many contracts and hence, the affected party were required to appeal the Section 56 of the Indian Contract Act, 1872 i.e. doctrine of frustration. Further, she appreciated the courts of India for declaring prompt judgements to such cases. Ms. Pratibha also talked about the Material Adverse Effect clause that is typically used in high-valued contracts and explained the amendments made in the clause due to COVID-19 scenario.

She also elaborated on the impact on the dispute resolution due to pandemic. She mentioned that adjusting to the new normal, the courts started hearing matters through virtual conferences and have now started to adapt to a hybrid model wherein they allow both physical and virtual hearings for the cases. However, the number of cases disposed by

the High Courts and District courts have fallen by 50% and 70% respectively. She further explained that the companies prefer dispute resolution through arbitration then litigation and suggested introduction of Online Dispute Resolution would streamline the process even further. In the end, Ms. Pratibha emphasized on the importance of mediation and stressed on the need for mandating mediation for resolution of commercial disputes.

Building on the momentum, the next speaker Ms. Deepika Kinhal talked about how Online Dispute Resolution (ODR) would help in effective and speedy resolution of pending disputes. She mentioned that ODR is an infusion of technology and dispute resolution mechanism and dwelled on its benefits that included cost effectiveness, convenience, reduction in unconscious biases and customizable processes among others. She further elaborated on three typical types of ODR initiatives that are implemented around the world which includes Government run ODR initiatives, Court annexed ODR services and Private ODR platforms.

Ms. Deepika also mentioned a few successful case studies of some ODR initiatives undertaken by various countries and highlighted the ODR initiatives in India as well. These initiatives included Government run ODR initiatives like SAMADHAAN portal by MSME, Integrated Consumer Grievance Redressal Mechanism and Court annexed ODR centres like Online Mediation Project by Delhi High Court and E-Lok Adalats. She further added that the services provided by these centres include case intake assistance, serving notice to the party, negotiation facility, online mediation facility, case management, Transcription services, etc. and highlighted the structural, behavioral and operational challenges in mainstreaming ODRs. In conclusion, Ms. Deepika outlined some key initiatives that should be considered for speedy adoption of ODRs.

Finally, some queries raised by attendees were answered by the chair, Mr. Sanjay Aggarwal, along with other panelist

## Plenary Session 2

### Controlling Fraud, Corruption & other Undesirable Practices in Emergency Procurement & Supply Management



*From (L-R): Ms Bernadine Fernz, Global Head of Infrastructure, Open Contracting Partnership (UK); Mr K Rajendran, Chief Vigilance Officer, Cochin Shipyard Limited; Ms Yamini Sarangi, Managing Director, Odisha State Medical Corporation and Mr Gaurav Godhwani, Co-Founder and Director, Civic Data Lab (India)*

The second plenary session of the summit on “Controlling Fraud, Corruption & other Undesirable Practices in Emergency Procurement & Supply Management” was chaired by Mr. K Rajendran, Chief Vigilance Office, Cochin Shipyard Limited. The esteemed panel for discussion included Mr. Mihaly Fazekhas, Assistant Professor, Central European University, Nonresident Research Fellow, University of Cambridge (UK) & Senior Research Associate, the University College London, Ms. Yamini Sarangi, Managing Director, Odisha State Medical Corporation, Ms. Bernadine Fernz, Global Head of Infrastructure, Open Contracting Partnership and Mr. Gaurav Godhwani, Co-Founder & Director, Civic Data Lab.

Initiating the proceedings for the session, Mr. K. Rajendran mentioned that under normal circumstances procurement budget fluctuates between 20-30% of the country’s GDP that account to around \$9.5 trillion and it is estimated that around \$2.4 trillion can be attributed to fraudulent activities and hence, the topic becomes utmost important.

He stated that there is a fine line between fraud and corruption. He mentioned that fraud involves betrayal of trust and corruption involves breach of trust. He further explained that these activities become much more frequent in case of any disaster and similar trends were noticed during COVID scenario as well.

Later during his address, Mr. K. Rajendran highlighted a few cases from around the globe that involved fraudulent activities in procurement of goods/ materials and listed some of the key challenges faced by various governments. He stated an example of import made by the Brazil Government, where they received a lot of masks with undesirable quality standards which were subsequently returned to the suppliers and also quoted the arrest of Health Minister in Bolivia who procured ventilators at double the price in emergency times. In conclusion, he also mentioned that around 25% of the total spending made in Global Procurement of Healthcare products is lost to corruption.

The next speaker for this session, Mr. Mihaly Fazekhas shared his findings on “Using Data Analytics for detecting Corruption in Public Procurement”. He mentioned that Corruption can be estimated in public procurement with targeted metrics. He stated that in public procurement, the aim of corruption is to steer the contract to the favored bidder without detection. This is done in several ways, including avoiding competition (e.g., unjustified sole sourcing or direct contract awards) and favoring a certain bidder by tailoring specifications, sharing inside information, etc.

Mr. Fazekhas then provided conceptualized indicators for identifying the cases that involved corrupt practices. These indicators were broadly categorized under Buyer Risk Indicators (BRI), Supplier Risk Indicator (SRI), Political Risk Indicator (PRI) and Tendering Risk Indicator (TRI). He then shared examples of some publicly available international procurement data base and provided risk scoring methodology. He further explained the assignment of red flags for various irregular activities and suggested that similar exercise would help the government in identifying agencies that may be involved in malpractices.

The next speaker for the session, Ms. Yamini Sarangi, made a detailed presentation that included the measures undertaken by Odisha State Medical Corporation Ltd. (OSMCL) for ensuring transparency in emergency procurement during the COVID-19 scenario as well. She mentioned some measures like online indenting by Healthcare Facilities in the e-Niramaya portal, followed by rationalization of indents approved at the apex level by State Drug Management Committee (SDMC)/ State Equipment Management Committee (SEMC) ensuring transparency in procurement activities. Some other measures that improved transparency of public procurement in health sector included mandatory tendering through GeM or e-tender portal of NIC and subsequent evaluation of the tender by multi-disciplinary committees comprising of specialists from external organisations like AIIMS Bhubaneswar, Medical Colleges, District Headquarter Hospitals, etc.

She also mentioned that once awarded, the details of the contract were immediately uploaded on GeM

/ e-tender portal and OSMCL’s website. Further to ensure the quality of the procured good, some random samples from each batch were sent to NABL accredited laboratories for quality inspection and the results were uploaded on the e-Nirmaya Portal. Further, she also mentioned that inventory management and payment transactions was also carried only through e-Niramaya portal ensuring full transparency through entire supply chain process. Further, for facilitating emergency procurement due to COVID scenario, she mentioned that OSMCL ensured constitution of an Emergency Procurement Committee that would decide the items and quantity for urgent procurement by waiver of tender process. She further mentioned that OSMCL adopted “Aggressive” Procurement measures for fulfilling the emergency demands by providing special incentives for quicker delivery after fixing the ceiling rates, transportation cost and testing charges were borne by OSMCL and special air cargo operations were initiated.

Following Ms. Yamini Sarangi, Ms. Bernadine Fernz and Mr. Gaurav Godhwani then presented their views on how Open Contracting is transforming the Public Procurement. While Ms. Bernadine explained the approach behind open contracting along with some international success stories, Mr. Gaurav Godhwani elaborated on some of the key opportunities and challenges for open contracting in India. Initiating the presentation, Ms. Bernadine stress upon the exasperating corrupt practice with due to emergency procurements and set the need for an innovative solution to public procurement.

She explained Open Contracting initiatives could be potential tool in dealing with all these issues. She further explained that Open Contracting Partnership (OCP) is a silo-busting collaboration of organizations that work towards a common goal of transforming public contracting. She further stated that OCP has supported procurement agencies in Ukraine to achieve a cost benefits of more than 1 billion euros in a year. She further explained that with the use of Open Contracting Data Standard (OCDS), the government agencies at the national level can undertake better planning and coordinated procurement and provide potential business opportunities for participants in tenders. She also mentioned an example of

Colombia where open contracting system assisted in identifying collusion in public procurement and suggested that data analytics shall be a very beneficial tool in order to alleviate malpractices from the system.

Building on the momentum, Mr. Gaurav talked about the initiatives related Open Contracting implemented in India and how would this be useful in transforming the procurement practice. While highlighting some pertinent issues related to public procurement in India, he mentioned that procurement process still lack in efficiency, adequate value for money and appropriate participation of the contractors and mentioned that open contracting would help in connecting the prospective

proponents with relevant business opportunities. However, he highlighted that the India's open data policy does not cover government procurement and mentioned that the data which is available online is published in various formats and in different file types, that can't be read by machines and hence lead to delays in data analysis. Finally, he suggested use of OCDS for strengthening the procurement ecosystem in the country.

At the end, Mr. K Rajendran, Chief Vigilance Office, Cochin Shipyard Limited along with the other panelists answered some of the questions raised by the audience and concluded the session by offering his vote of thanks.

## Plenary Session 3

### Procurement Adjusting to New Realities: Automation, AI/ ML

The first day of the GPS 2021 concluded with the third plenary session on “Procurement Adjusting to New Realities: Automation, AI/ ML” chaired by Dr. Rajeev Kandpal, Joint Secretary and Chief Financial Officer, Government e-Marketplace, Ministry of Commerce and Industry, Government of India. The speakers for this session included Mr. Mayank Mehrotra, Director, Deloitte India, Dr. Ashutosh Dutta, Senior Scientist and 5G Chief Strategist, Johns Hopkins University Applied Physics Laboratory and Ms. Eliza Niewiadomska, Senior Counsel, Public Procurement, European Bank for Reconstruction and Development (EBRD).

Beginning with the proceedings of the sessions, Dr. Rajeev Kandpal shared his insights on how GeM has leveraged technology for transforming Procurement scenario in the country. He stated that GeM is a one-stop online procurement portal for all govt. buyers that was launched on 9th August 2016 to initiate cashless, contactless and paperless procurement. He outlined the evolution of GeM and highlighted its achievements in providing exemplary services. Dr. Kandpal emphasized on some attributes like ensuring transparency and improving efficiencies that were leveraged through use of technology.

Describing the public procurement framework in the country, Dr. Kandpal stressed on the presence of several guidelines that are referred by an entity before placing a tender and stated that GeM has been able to develop algorithm through Artificial Intelligence that has helped in synchronous implementation of various orders and guidelines. He mentioned that automation has led to a substantial increase in the average bid participation, seller participation and categories of product. He further mentioned that with the introduction of GeM, the time required for Tender creation and publishing has reduced from 4-6 months to just 1 day and the time required for registration of new sellers and his offering has reduced considerably from 4 months to just 97 hours. In addition, he also mentioned that GeM provided special provisions for sellers of niche sector and it is commendable to note that GeM has now registered more 10 lakh sellers that are MSMEs, startups, women entrepreneurs, and other minor sectors.

The next speaker for the session, Mr. Ashutosh Dutta talked about the “Supply Chain related security issues in 5G network”. During his presentation, Mr. Ashutosh Dutta covered various topics including what is a



*From Top (L-R): Dr Rajeev Kandpal, JS & Chief Financial Officer, Government e-Marketplace, Ministry of Commerce & Industry, Government of India; Ms Eliza Niewiadomska, Senior Counsel-Public Procurement, European Bank for Reconstruction and Development; Mr Ashutosh Dutta, Senior scientist and 5G Chief Strategist, Hopkins University Applied Physics Laboratory (JHU/APL), USA and Mr Mayank Mehrotra, Director, Deloitte India*

5G network, what are some very common security issues associated with it, how can one deploy a fully secure 5G technology for supply chain management and how AI/ ML help in detecting and mitigating some of the security related issues. He defined a systematic approach for cyber risk assessment and management as a function of vulnerability severity, threat level, business criticality and exposure/usage to the risk among others.

Mr. Ashutosh also stressed on the diagnostic assessment for supply chain security network slicing that involves detection of the likely threats such as impersonation attack against a network slice, side channel attacks across slices, etc. and strategies to mitigate the same. He also highlighted the recent advancements that have been made in AI/ ML based security assessment and elaborated on the key points that should be considered for adoption of 5G and its usage. In conclusion, he stressed on the needs for a designing network that is more adaptable, resilient, and flexible to support emerging applications and importance of threat analysis and threat taxonomy in understanding associated risks and developing mitigation techniques.

Following Mr. Ashutosh Dutta, Mr. Mayank Mehrotra talked about the automation trends in the public procurement wherein he covered what could be the future of procurement, key interventions undertaken by the Government for leveraging AI/ ML based technologies in public procurement and some select case studies on how cost reduction be achieved from AI based procurement portal and how procurement team's effort be reduced through automation.

During his presentation, Mr. Mayank Mehrotra emphasized on the four pillars of a resilient supply chain – namely Visibility, Flexibility, Collaboration and Control, and stressed on the need for digitization and enhancing the supply chain capabilities for adjusting to the new normal. He mentioned that virtual working and risk management were identified as the two primary considerations for a post pandemic world in 2020 Chief Procurement Officer (CPO) survey with focus on enhancing organization's digital infrastructure to enable virtual collaborations. He also mentioned that according to CPO survey, cost reduction is a top priority for any procurement

leader and suggested that predictive analytics will have the substantial impact on procurement over the next 2-3 years.

He further mentioned some key AI/ ML based initiatives undertaken by the government agencies in the country to overcome the procurement dynamics and explained benefits of these systems in terms of optimized order allocation, cost reduction, detection of fraud suppliers, secure payment systems, drone based inventory management and efficient contract management. Further, successful case studies on implementation of AI/ ML based interventions in supply chain management was also mentioned.

The last speaker for the session, Ms. Eliza Niewiadomska shared her insights on "New solution for Digital Procurement". Initiating the presentation, Eliza stressed on a very crucial point that transparency is a key for any procurement system however procurement data is never made public. She highlighted some critical challenges about why eProcurement reforms are frequently unsuccessful and what can be done to improve them. She also outlined the strategy for achieving digital transformation in the public procurement and suggested unlocking procurement data using some IT systems like OCDS (Open Contracting Data Standard) and API for interoperability and decision-making.

Ms. Eliza mentioned that the EBRD is working with various governments of different countries on complete automation of various tendering activities with the help of AI and ML tools. While highlighting the benefits of OCDS, she mentioned that it provides one source of all procurement data for all users. In conclusion, she mentioned some Analytics and Monitoring tools that have now been developed for strengthening digital procurement systems and can be adopted by various developing governments for streamlining procurement during the difficult times.

Concluding the final session of the day, Dr. Rajeev Kandpal, Joint Secretary and Chief Financial Officer, Government e-Marketplace, Ministry of Commerce and Industry, Government of India along with the other panelists responded to some select queries raised by the audience and the chair delivered a vote of thanks.

## Plenary Session 4

### Can PPP help cash-starved governments in boosting infrastructure?



*Mr Baldeo Purushartha, Joint Secretary (Infrastructure Policy & Finance), DEA, Ministry of Finance, Government of India; Mr Maurice Diamond, PPP Expert, IPATS, London; Mr Vikash Kumar Sharda, Partner, Infranomics Consulting LLP and Mr mandeep Singh Virk, PPP Expert, India*

The second day at the GPS 2021 started with the fourth plenary session on “Can PPP help cash-starved governments in boosting infrastructure?” chaired by Mr. Baldeo Purushartha, Joint Secretary (Infrastructure Policy and Finance), Department of Economic Affairs, Ministry of Finance, Government of India. The speakers for this session included Mr. Maurice Diamond, PPP Expert, IPATS London, Mr. Vikash Sharda, Partner, Infranomics Consulting LLP and Mr. Amandeep Singh Virk, PPP Expert.

Mr. Purushartha started the session by establishing the importance of infrastructure development for growth of the country in a sustained manner. He emphasized on the need of an investment of around USD 1.4 trillion over the next five years on infrastructure to accomplish a GDP of USD 5 trillion and elaborated on the importance of PPPs in fulfilling the investment requirements. He was pleased to report India’s ranking among other country in the world in terms of readiness, operational maturity and having an ideal environment for executing high-valued PPP programs.

Mr. Purushartha further elaborated on the measures taken by the Government of India for encouraging investments in the Infrastructure Sector through announcement of National Infrastructure Pipeline (NIP). He mentioned that Government of India is making attempts for increasing the share of NIP projects to be executed in PPP mode from around 20% to nearly 40%. He also indicated that the Government of India has revamped its Viability Gap Funding (VGF) scheme for providing enhanced support of upto 60-80% of the Capex and in some case upto 50% of the Opex for first five years after Commercial Operations Date (COD) to encourage private sector participation in development of social infrastructure (Health, Education, Waste Water, Solid Waste Management, Water Supply, etc.).

Followed by the chairperson, the next speaker, Mr. Maurice Diamond, presented his views on the key factors that should be considered for executing a successful PPP endeavor. He elaborated on the notion of cash strapped governments and explained that a cash strapped government does not necessarily mean lack of budgetary availability

rather it can also be due to absence of enabling legislation, streamlined procurement process and decision making. He emphasized on the challenge that various Government face in striking a balance between speed of getting money into economy and meeting sustainability objectives and balancing the long-term economic benefits of infrastructure investment with immediate need to spend on healthcare, employee and business support. In closing remarks, Mr. Maurice stressed on the importance of having a clear understanding about PPP at the planning stage itself and defining sustainable long-term goals for driving a successful PPP programme.

The next speaker of the session, Mr. Vikash Sharda talked about evolution of PPP in Transport and Water Sector in India. The presentation encapsulated the evolution of PPP in these sectors, its performance, major impediments in its success and suggestions for improving the PPP landscape in the country. While reflecting on the advancements of PPP in Transport sector, Mr. Vikash highlighted that adoption of PPPs in State Highways continue to remain low due to creditworthiness issue of counterparty, fiscal health of some states and lack of PPP capacity at authority level. He also mentioned that speculations made in traffic projections, delays in appointment of Independent Engineers and challenges in post award contract management of PPP projects are some of the key issues that limit greater participation of private sector.

Mr. Vikash stressed on the need to enable long term funding for private sector (including tax benefits for secondary market transactions) and better project preparedness for boosting private sector investment in development of transport related infrastructure in the country. He further mentioned that developing an effective communication & risk management strategy and creating an enabling

policy environment by establishing a clearly defined tariff and metering policy prior in the bidding process would be beneficial in effective implementation of PPP in Water Projects.

The first session of the second day ended with a presentation from the last speaker for the session, Mr. Amandeep Singh Virk, sharing his enriched experience of executing PPP projects in Africa. He also shared his views on how PPP can help low income countries and some misconceptions and interventions that should be handled with care for successful implementation of a PPP programme. In his presentation, Mr. Amandeep mentioned various advantages of PPP which included providing financial flexibility, no need for short term budgetary resource allocation, transparency and accountability, transfer of risk, etc. He also raised a very crucial point that failure of implementing PPPs in a certain region (which may be due to in-adequate preparation during the planning stage), pertains a high risk of losing market's trust for investing in any such future model.

Mr. Amandeep also shared some recommendations on what a cash strapped country do for successful implementation of PPPs. These included interventions like roping in Multilateral Development Banks and commencing implementation of small/ medium size pilot projects for achieving initial success rather than executing an ill-prepared high valued programme that would result in failure. In conclusion, Mr. Amandeep stated that good governance is critical factor for success of PPPs.

Finally, some queries raised by attendees were answered by Mr. Baldeo Purushartha, Joint Secretary (Infrastructure Policy and Finance), Department of Economic Affairs, Ministry of Finance, Government of India along with other panelist.

## Plenary Session 5

### Addressing COVID-19 related Challenges in Infrastructure Projects

The fifth plenary session of GPS 2021, on “Addressing COVID-19 related Challenges in Infrastructure Projects” was chaired by Ms. Elmas Arisoy, Practice Manager, Solution and Innovation in Procurement, World Bank. The panel of experts for this session included Mr. Kanwal Preet, Director, Public Procurement Division, Ministry of Finance, Government of India, Mr. Binaya Bhusan Mishra, VP & Head of Supply Chain, Larson & Toubro Construction and Mr. Ajay Kumar, Executive Director, Dedicated Freight Corridor Corporation of India Limited.

Ms. Arisoy initiated the proceedings for this session by emphasizing the importance of executing capacity of the Government and the contractors for achieving the goals outlined in the National Infrastructure Pipeline. She mentioned that due to COVID-19, there has been a significant increase in implementation delays and cost overruns. She further explained that these issues primarily ascended due to nation-wide lockdowns, closure of construction sites, supply-chain disruptions and were compounded by the need to divert the funds from infrastructure sector to health sector. Overall, these activities resulted

in fewer business opportunities in construction industry and delayed payments for ongoing projects.

Ms. Arisoy also highlighted that the construction industry around the world witnessed an exponential increase in the use of force-majeure provision in the contract due to COVID-19 situation. This led to a substantial increase in disputes/cases due to unsettled payments and many still remain unresolved. Ms. Arisoy concluded by stating some solutions that can be implemented on existing contracts.

The next speaker for the session, Mr. Kanwal Preet discussed the initiatives taken by the Procurement Policy Division, Department of Expenditure for supporting the infrastructure projects during the COVID scenario. These initiatives included reduction of performance security in all contracts from 5-10% to just 3% for limited time and provision of bid security declaration in place of monetary bid security in the bid document. He also mentioned that the Government agency were instructed to return the performance security to the contractors in proportion to supplies.



*From Top (L-R): Ms Elmas Arisoy, Practice Manager, Solution and Innovation in Procurement, World Bank, Washington DC; Mr Ajay Kumar, Executive Director, Dedicated Freight Corridor Corporation of India; Mr BB Mishra, VP & Head Supply Chain, Dedicated Freight Corridor Corporation of India Limited and Mr Kanwal Preet, Director, Public Procurement Division, Ministry of Finance, Government of India*

The next speaker, Mr. B. B. Mishra, reflected on the supply chain related challenges faced by the private contractors and some key initiatives taken by them during the COVID scenario. During his presentation, Mr. B. B. Mishra mentioned that at the onset of the outbreak, the workers were petrified and wanted to return to their home. The remaining workers were under the supervision of senior management and their safety and needs were taken as the primary concern by the organization.

He mentioned that a major challenge faced by the private contractors was to inspire the workforce to re-mobilize at the construction site to resume the ongoing projects. For this, L&T formed an apex team that constituted of senior management officers who visited the sites across country to regain the trust of the labor. The organization also initiated buses from project location to various villages, introduced various initiatives like Digital Workmen connect app and even arranged flight travels due to lockdown restrictions.

Mr. Mishra also stated that only 50% of the total workforce that migrated back to their hometowns remobilized on the project sites after the restrictions were lifted. The remaining workers were offered work under various national and state employment schemes like MNREGA, etc. Hence, the balance workforce was recruited afresh from various Industrial Training Institutes, NGOs, other training institutes, etc. The new workforce was then trained through digital platforms and the trainees were provided with PPE kits, food, transport and 24x7 medical care facilities. Further, he stated that the workers were encouraged to ensure safe operations and helmets of these workers were embedded with a GPS device that alerted the senior management in case of social distancing violations.

Mr. Mishra further elaborated on various supply chain related challenges faced by the private contractors and bucketed them under four major heads of material scarcity, issues related to sourcing and procurement, no physical inspections of material and issues pertaining to transport and logistics due to nation-wide lockdown. In order to alleviate these challenges, some initiatives undertaken by L&T

included conducting Remote Factory Acceptance Test, extended use of digital enablers for business continuity, stakeholder interactions and online trainings, drone-based site inspections among others.

The last speaker for the session, Mr. Ajay Kumar, highlighted some key initiatives taken by the government agencies like DFCCIL for addressing the challenges in infrastructure projects due to COVID-19. These initiatives included Food and Lodging Facilities for the stranded labors, on-site medical facilities, circulation of guidelines issued by Ministry of Health & Family Welfare, among other. He mentioned that during these trying times, DFCCIL conducted progress review meeting through virtual platforms and submitted notice to the contractors for adoption of full safety and security protocols for ongoing projects.

He further added that the corporation was determined to train the staff and conduct various awareness drive to prevent spread of COVID. He also stated that while the field work remained closed, various other tasks related to preparation of designs and design reviews were completed at a rapid pace to ensure swift recovery after COVID times. The corporation also implemented e-office for undertaking regular office works and took special measures to ensure that the on-site workers are paid consistently during the entire period.

Mr. Ajay Kumar further elaborated on the issues that the corporation faced post April 2020 and highlighted the actions taken to ensure smooth progress of work. These measures included procurement of material based on material certificate without inspections, early release of contractual payments, drone surveys for monitoring the progress of work, release of performance security proportionate to work done, reduction of performance security, among others. Following the final presentation, the panelist responded to a few queries raised by the audience and the session concluded with a final vote of thanks from the chairperson Ms. Elmas Arisoy, Practice Manager, Solution and Innovation in Procurement, World Bank.

## Plenary Session 6

### Challenges and Opportunities for Health Commodities Procurement & Distribution, particularly COVID-19 vaccines



*Mr Jeff Taylor, Director, Procurement Division, ADB, Manila; Mr Steve Guppy, Director of Procurement, Crown Agents, UK; Prof Prashant Yadav, Senior Fellow, Centre for Global Development and Affiliate Professor of Technology and Operations Management INSEAD, Washington DC; Ms Anna Pinto Hebert, Senior Operations Officer, Preventive Services (Integrity), World Bank, Washington DC and Mr Vinod G Pillai, Vice President (Sourcing), HLL Life Care Limited*

The sixth and final plenary session of GPS 2021, on “Challenges and Opportunities for Health Commodities Procurement & Distribution, particularly COVID-19 vaccines” was chaired by Mr. Jeff Taylor, Director, Procurement Division, ADB. The panel of experts for this session included Mr. Vinod G. Pillai, Vice President (Sourcing) HLL Life Care Limited, Mr. Steve Guppy, Director of Procurement, Crown Agents, Mr. Prashant Yadav, Senior Fellow, Centre for Global Development and Affiliate Professor of Technology and Operations Management, INSEAD, and Ms. Anna Pinto Hebert, Senior Operations Officer, Preventive Services (Integrity), The World Bank.

Mr. Jeff Taylor commenced the proceedings for the session by sharing an overview of how ADB has supported its client in overcoming the challenges related to procurement during the COVID times and mentioned a brief about the opportunities for way ahead. During his address, Mr. Jeff Taylor mentioned that ADB recognizes the severity of the situation and has announced a large assistance package of \$20

billion of which 40% is directed toward procurement of PPE.

He further specified that apart from lending money, ADB has also undertaken direct procurement of PPE worth \$30 million. Besides these efforts, ADB has also announced \$9 billion support for financing the procurement of COVID vaccines. Referring to availability of few different COVID vaccine in the market, Mr. Jeff Taylor stated that ADB is currently struggling in determining the most appropriate vaccine for which it should finance the procurement. He also highlighted the issues while dealing with vaccines manufacturers which included their demand for indemnification from the risks associated with the vaccines and non-disclosure policies and suggested procurement of vaccines that are WHO certified.

The second speaker of the session, Mr. Vinod G. Pillai, talked about the challenges faced by Indian government in procurement of PPE, masks and other necessary coveralls during the COVID scenario.

Some of the key challenges discussed included shortage of coveralls for internal distribution, limited manufacturers, restrictions in transportation due to lockdowns, inadequate logistics infrastructure, limited working manpower, among others.

He acknowledged that the prompt response from Ministry of Health and Family Welfare and Ministry of Textiles for preparing standard specifications of coveralls that can be manufactured in India to overcome various production related constraints. However, he raised concerns on the logistics capacity of the country to handle the surged demand and suggested strengthening of the supply chain network for being prepared to tackle any such scenario in the future. Finally, Mr. Vinod G. Pillai also shared his views on the benefits of e-Procurement systems like GeM in dealing with COVID situation. He suggested that these systems should be more flexible based on the need of the hour and have a provision of penalties in case of delays of supply.

The next speaker of this session, Ms. Anna Pinto Hebert, talked about the World Bank's outlook on the emergency related procurement through a very detailed presentation that covered issues, approaches and some recommendations that could be considered for being prepared to deal with any similar future situation. During her presentation, she highlighted that complexities and fragmentation in National Health systems, lack of transparency in procurement activities, uncertainty in expected delivery, increase in fraudulent activities, among others were some of the major issues faced by various government agencies in the emergency related procurement.

She further explained that to deal with these issues different approaches were adopted in various countries. Some of these approaches included preparation of a standardized guideline, fixing the weak links in the procurement process and strengthening the key institutions. She then elaborated on the concerns raised by the private players in dealing with the emergency procurement. In the end, Ms. Anna Pinto Hebert concluded by stating that attention to rules and procedures to

prevent corrupt practices is important but also review of the program management systems and engaging technical expertise during the procurement is much more important for minimizing the issues arising due to emergency related procurements.

The next speaker of the session, Mr. Steve Guppy shared his insights on the "Practical Experience of COVID Vaccine Logistics". He focused his presentation on the five key learnings that were crucial while dealing with the delivery of the COVID Vaccines. These learnings were captioned as i) a race against the clock, ii) external temperature control, iii) expect the unexpected, iv) strong cross-party relationships and v) vaccines can't beat COVID alone. He elaborated each point in detail and highlighted various logistics and supply chain related challenges faced by Crown Agents in delivery of the COVID vaccines.

During his address, he highlighted that the need of meticulous end to end planning and route risk management to ensure optimum delivery within the expected arrival time. He also mentioned the importance of maintaining an optimum outside temperature to ensure that the vaccines do not get spoiled. He shared an example of how GPS and temperature-based tracking of these packages helped in timely shifting of a package before it got ruined. He also mentioned the challenges involved in transportation of the vaccines from one place to another. He concluded his presentation by stating that the COVID vaccines are neither simple to move nor impossible to disseminate and it needs all the ingredients of supply chain to blend together for making it work.

The last speaker of this session, Mr. Prashant Yadav shared his views on "Challenges pertaining to supply chain and procurement of COVID vaccines". He mentioned that many countries are still uncertain about which vaccine candidate to invest in, how to purchase an optimal portfolio and what auxiliary items should they procure. He then elaborated on various vaccine platforms and probability of their success. He further explained the definition of optimal portfolio and stated that it requires deep understanding of the correlation in the probability of

success across platforms and for vaccine candidates within each platform to determine an optimal portfolio.

Mr. Prashant Yadav also talked about the role of technology scanning and portfolio approaches in new technology procurement and stressed on the need of analyzing the demand/ forecasting to prepare an optimal procurement strategy. He also mentioned that there are governments around the world who are facing challenges in identifying the locus of procurement and shared his views on

whether a government should contract for fill and finish manufacturing capacity. He also stated that for ensuring a smooth supply chain management it is important to revisit the standard tradeoffs between Responsiveness, Agility and Cost Efficiency.

After the final presentation, the panelist responded to a few questions raised by the audience. The session concluded with a final vote of thanks from the chairperson Mr. Jeff Taylor, Director, Procurement Division, ADB.

## Recommendations of GPS 2021

During the deliberations of two-day Global Procurement Summit 2021, the following important recommendations pertaining to each session were made for further considerations –

### Session 1

- For new agreements under negotiation, it is recommended to add contract conditions keeping in mind the potential risks of COVID-19.
- In future agreements, contractual terms for pandemic/ similar situations need to be included as part of Material Adverse Effect clause.
- In the interest of reducing burden on court and saving cost of the litigants, the Government may consider mandating mediation for resolution of commercial disputes as preferred mode.

Some recommendations for mainstreaming Online Dispute Resolution (ODR) as highlighted by the speakers include –

- Increasing access to digital infrastructure
- Providing adequate training on ODR to public and private professionals
- Building trusts through adoption of ODR by various government agencies and PSUs
- Encourage growth of private ODR platforms
- Providing suitable regulation for usage of ODR

### Session 2

- An effective analysis of procurement data can help in identifying the fraudulent cases in public procurement and it is suggested that the government agencies should develop such data analytics systems as a step to curb corruption and fraudulent activities.
- Further, it was suggested that Open Contracting is an upcoming and innovative method of public procurement with several associated

benefits that can be considered by government agencies for regular procurement purposes and increased transparency.

- It was also suggested that OCDS tools should be implemented for strengthening the procurement ecosystem in the country.

### Session 3

- With growing digitization in the procurement domain, it was recommended that the major procurement agencies should build a digital application that enables the buyer with machine driven insights based on past data analysis and future predictions, scenario simulation, to improve buying efficiency. This would help in achieving substantial cost reductions.
- It was also recommended that with the infusion of more advanced and modern technologies in supply chain management, the procurement agencies should ensure that technologies work in a secure and reliable ecosystem through diagnostic threat analysis and development of potential threat mitigation strategies.
- Automation of some repetitive procurement activities through various AI/ ML based application were recommended to ensure reduction in manpower effort of the procurement teams.

### Session 4

For successful implementation of PPP and attracting private sector investments, the following recommendations were made by the panel –

- Before initiating PPP in any sector, the government should strengthen its capacity through development of coherent PPP policy, strong enabling institutions, robust legal and regulatory framework and creating a desirable PPP ecosystem.
- Appropriate time must be provided at project preparation and design stage itself for avoiding any future mishaps.

- Roping in Multilateral Development Banks is paramount for the achieving success in cash strapped countries.

### Session 5

While the Governments across the world would be required to make strong policy and regulatory amendments to become future ready, some short-term recommendations that has been suggested to be implemented on existing contracts are –

- The payment milestones in the existing contracts may be restructured to allow quicker payments. Also, there could be advanced payments for milestones.
- Deferring the recovery of mobilization advance and awarding additional time owing to changes in working environment because of COVID-19 requirements.
- Introducing bid securing declaration instead of monetary bid security for new procurements.
- Using escrow accounts dedicated to specific contracts where funds could be diverted to other risks of the contractors.
- Improving bid evaluation process for detecting firms withstanding substantial financial stress and avoid awarding contracts to such firms.
- Award of project after land acquisition arrangement in line with contract implementation plan.
- Fast dispute resolution through empanelment of dispute resolution board or experts not just limited to retired judges.

### Session 6

The following recommendations were made for minimizing issues arising due to emergency related procurement due to COVID 19 –

- Standardization of rules and procedure to improve transparency.
- Review of existing procurement management systems and practices to enhance efficiency of spending, accountability and encourage outside or independent observation/ monitoring.
- Engaging Technical expertise and not relying on a single opinion to ensure procurement of most appropriate products.
- For essential items such as vaccines, installation of GPS based temperature tracking devices on packages by the governments of developing countries to minimize spoiling of vaccines during the delivery could be considered.



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