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GOVERNMENT OF TRIPURA
DIRECTORATE OF INDUSTRIES AND COMMERCE
KHEJURBAGAN, AGARTALA-799006

Dated, the8th January, 2021.

M E M O R A N D U M

Subject: Benefit of Procurement Preference under Tripura Industrial Investment Promotion Incentives Scheme (TIIPIS), 2017.

The Government of Tripura has notified the Tripura Industrial Investment Promotion Incentives Scheme (TIIPIS), 2017 which has come operation with effect from first April, 2017. The benefits of Procurement Preference have been continued under the Scheme, 2017 with certain amendments. The provisions of Procurement Preference under Tripura Industrial Investment Promotion Incentives Scheme (TIIPIS), 2017 including the amendments made in Scheme-2017 in regards to the benefits are as under:

1. Subject to their meeting the quality, delivery and other specifications of the Purchasing State Government Agencies, Procurement Preference will be given on all purchases by State Government Agencies – including Departments/Corporations/ Public Sector Enterprises/ Autonomous Bodies/ Aided Institutions of the State Government – on products and services manufactured/ provided in Tripura by eligible enterprises.
2. The procurement preference would be applicable in case of procurement of goods and services being procured through tendering process by the State Government Agencies. For extension of procurement preference, the landed price of the procurement of goods and services being procured shall be calculated for all the eligible tenderers. at the destination specified by the purchaser before imposition of all kinds of Taxes as applicable under Goods and Service Tax Acts. The landed price would, however, include insurance charges and freight costs imposed prior to the goods entering the State of Tripura, quoted by supplier located outside Tripura.
3. **The procurement purchase for enterprises in Tripura shall operate as follows:**
 - a) In cases where after comparison of the landed price of all eligible tenderers, one or more local industrial enterprise(s) emerge as the first lowest tenderer, the said enterprise(s) shall be eligible to get supply order for 100% of the tendered quantity of the procurement of goods and services being procured by the State Government Agencies.
 - b) In cases where after comparison of the landed price of all eligible tenderers, the first lowest tenderer is an enterprise from outside the State: but the price of one or more local industrial enterprise(s) is not over 20% of the price quoted by the first lowest tenderer, the said local industrial enterprise(s) shall be eligible to get supply order for 100% of the tendered quantity of the procurement of goods and services being procured by the State Government Agencies, except in case of cement, steel and GCI sheet, where 65:35 ratio for local/ outside bidder will be followed, provided that they shall be ready to supply the same by matching the price offered by the first lowest tenderer.

- c) In cases where after comparison of quoting prices of all eligible tenderers, the first lowest tenderer is a bidder from within the State (other than local industrial enterprise); but the price quoted by local industrial enterprise is not over 20% of the price quoted by the first lowest tenderer, the said local industrial enterprise shall be eligible to receive order for 100% of the tendered quantity provided the local industrial unit is ready to supply goods or provide service matching the price offered by the first lowest tenderer.
 - d) In cases where the quoted price of a local industrial enterprise falls within the margin and lowest amongst the local industrial enterprises then the entire order shall be given to that local industrial enterprise whose quote is lowest subject to matching the L1 price. In case the local supplier does not agree to match the L1 price or accepts lower quantity or fails to execute the contract then the quantity shall be awarded to the next higher local supplier and so on.
4. In order to be eligible for benefits under this clause, an enterprise shall have to achieve at least 20% value addition within the State, to be ascertained in the manner as may be prescribed by the State Government. "Value Addition" for this purpose would mean the difference between the total landed cost (in Tripura) of all inputs used in production and the selling price for every unit of the of goods and services being procured.
 5. Notwithstanding anything contained in Clause 4 & 5 of the Scheme-2017, the incentive under this clause shall be available to all the local enterprises irrespective of their date of commencement of commercial production; i.e., enterprises who started commercial production, prior to 1st April, 2017 shall also be eligible for benefit under this clause, subject to fulfillment of other eligibility conditions.
6. **Eligibility criteria of local enterprises for participating in procurement process:**
 - a) Local Enterprises may be allowed to participate in bidding/ procurement process even in case of having capacity of partial supply of the tendered quantity/ value subject to minimum of 25% of the tendered quantity.
 - b) In that case, the financial/ technical eligibility criteria like Turnover, Project/ Supply value etc. may be proportionately reduced while considering the eligibility for participation of the comparatively smaller local enterprises in the bidding process.
 - c) Subject to fulfillment of quality and specification of the products/ services, supply order up to capacity in quantity/ value may be given for procurement of goods and services from the local MSMEs as explained above, where the quoted price of a local enterprise falls within the margin and lowest amongst the local enterprises, but incapable of supplying the entire tendered quantity/ volume.
 7. **Trial/ Development Tender for procurement from local enterprises:**
 - i) For development of a new source of supply from the local enterprises, separate tender should be floated by Department/ Agencies for local enterprises, if local enterprises are not able to participate in the bids of Department for that particular goods/ services or work because of inadequate experience/ turnover or other reasons. Trial orders may be placed to the local

enterprises whose offer has been found to be techno-commercially acceptable and the prices same or lower than the price being paid for the same product.

- ii) Items required to be procured through this process should be identified by the respective Department/ Agencies and 10% of the assessed requirement of the identified items may be kept aside for the Trial/ development order from the local enterprises, if the local enterprises are not able to participate in the tender of the same item by the Department because of inadequate past order/ turnover etc. This would ensure at least 10% ensured procurement from the local enterprises.
- iii) Industries & Commerce Department would develop a list of local enterprises and goods & services supplied by these local enterprises and circulate the Government Department/Agencies.
- iv) Separate tender for 10% procurement under Trial/ Development order from local enterprises shall be issued by the Procuring Departments/ Agencies.
- v) In line with quality and performance standards, a proportionate payment mechanism would be worked out, which may be as follows :

For Trial Orders to be placed for supply of goods, 100% payment shall be made after 6 months of satisfactory performance against submission of Bank Guarantee of equivalent amount, valid for a period of 9 months thereafter (beyond initial 6 months).

The goods found to perform satisfactorily and fulfilling the contractual obligations as per the supply order for a period of one year from the date of supply, 100% Bank Guarantee shall be released on receipt of Performance Bank Guarantee of suitable amount and duration, as shall be decided by the concerned Department.

8. Procurement of additional quantities required over and above tendered quantities by Government Depts./ Agencies from local enterprises :

The procuring authority may provide additional quantity as per NIT/ GFR/ relevant Manual over and above the tendered quality to existing suppliers selected on the basis of tenders. If there is a local supplier selected through the normal bid process, he can be given preference for additional quantity. No new local supplier (who has not participated in the tender) can be entertained for procurement of additional quantities.

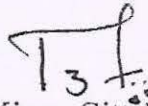
9. Grievance Redressal Mechanism:

In case of any grievance/ complaints by the suppliers or procurement agencies, the concerned person/ agency shall prefer appeal to the Secretary-in-Charge of the Finance Department for redressal and the same shall be disposed off within time period of 30 days. The State Level Grievance Redressal Committee under the Chairmanship of the Secretary-in-charge of the Finance Department has been constituted.

10. For ready reference, a copy of the followings is enclosed:

- i) Notification dated, 14th June, 2019 and 27th November, 2020 in respect of Tripura Industrial Investment Promotion Incentives (Amendment) Scheme (TIIPIS), 2017 in ANNEXURE-I.
- ii) Notification dated, 27th November, 2020 in respect of Tripura Industrial Investment Promotion Incentives (2nd Amendment) Scheme (TIIPIS), 2017 in ANNEXURE-II.
- iii) Notification dated, 29th December, 2020 in respect of constitution of State Level Grievance Redressal Committee in ANNEXURE-III.
- iv) List of the local enterprises and goods & services supplied by these local enterprises as per the Sub-Clause-8.7 (iii) in ANNEXURE-IV.

11. Accordingly, all the Government Departments/ Undertaking/ Autonomous Bodies are requested to kindly ensure that eligible local industrial enterprises are extended the benefits of Procurement Preference as per the provision of Scheme, 2017, on production of Eligibility Certificate, in all tenders floated by them for procurement of goods and services.


(Kinan Gitte)
Secretary (I&C).

To

1. The Secretary-in-charges of all Departments.
2. The Head of the Departments of the State Government.
3. The Chief Executive Officer, Tripura Tribal Areas Autonomous District Council, Khumulwng.
4. The Managing Director of Tripura Industrial Development Corporation Ltd.
5. The General Manager, District Industries Centre of all Districts.
6. The President/ Secretary of all Industrial Associations.

To
The Director
Small Savings, Group Insurance & Institutional Finance
Gurkhabasti, Agartala,
West Tripura.