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Government of Tamil Nadu
2025



MANUSCRIPT SERIES

FINANCE [Procurement Cell] DEPARTMENT

G.O.(Ms).No.262, Dated 05th December 2025
(karthikai-19, Thiruvalluvar Aandu 2056)

ABSTRACT

**Public Procurement — Low Value Procurement- To streamline procedure -
Orders - Issued.**

Read the following:-

1. G.O.(Ms).No.206, Finance (Salaries) Department, dated: 04.07.2017.
2. G.O.(Ms).No.207, Finance (Salaries) Department, dated: 04.07.2017.
3. G.O.(Ms).No.154, Finance (Salaries) Department, dated: 03.05.2018.
4. G.O.(Ms).No.63, Finance (Salaries) Department, dated: 01.03.2023.

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ORDER:

Rule 33 of the Tamil Nadu Transparency in Tenders Rules 2000 prescribed the Low Value Procurement. Further, after the enactment of Tamil Nadu Transparency in Tenders Act 1998, the Rules and instructions prescribed under Article 125, Tamil Nadu Financial Code, Volume-I are restricted to Low Value Procurement of goods and services and as per the orders first read above, the Tamil Nadu Financial Code Article 125 was further amended.

2. Section 16(m) of Tamil Nadu Transparency in Tenders Act 1998 reads as follows:-

Provisions of sections 9 and 10 shall not apply to procurement from the Government e-Marketplace - Special Purpose Vehicle through rate contract, on-line bidding, on-line reverse auction and any other mechanism provided by the said Government e-Marketplace - Special Purpose Vehicle, as may be notified by the Government.

3. In the Government Orders second, third and fourth read above to streamline the procurement through GeM, there are, however, no consolidated instructions regarding Low Value Procurement. In order to ensure clarity in procedures and guiding the procuring entities, there is need to provide such consolidated instructions.

4. Based on the above, the Government, after careful consideration, decided to adopt the following consolidated orders, under Section 21 of the Tamil Nadu

P.T.O.

Transparency in Tenders Act 1998, to streamline the procedure for Low Value Procurement: -

- I. For the purpose of procurement, the Tamil Nadu Transparency in Tenders Act 1998 and the Rules made and Government Orders passed thereunder shall be referred for all practical purposes including Low Value Procurement.
- II. Government Orders second, third and fourth read above to streamline the procurement through Government e-Marketplace (GeM) hereby stand superseded by this Government Order.
- III. While the Act exempts the Low Value Procurement from Section 9 and 10 of the Tamil Nadu Transparency in Tenders Act 1998, the procurement entity may choose to follow open tender system as per the Act.

Further, a Government department may, for the purpose of maintaining uniformity, prescribe limits lower than those prescribed in the Tamil Nadu Transparency in Tenders Act 1998 for mandatory open tender system.

- IV. In case the procuring entity opts for open tender system, for Low Value Procurement, such procurement shall be done only through tenders portal (<https://tntenders.gov.in>) or GeM portal (<https://gem.gov.in>). No other online portal shall be used for such procurement through open tender system.

- V. The procuring agency shall satisfy itself that,

- i. The value of the procurement, including taxes and other statutory dues, is below the prescribed low value threshold limits.
- ii. The procurement has not been split unnecessarily to bring it within the threshold limits of Low Value Procurement.
- iii. The procuring authority shall formally record the following:-

“ I/we am/are reasonably satisfied that the value of the procurement, including taxes and other statutory dues, is below the prescribed low value threshold limits and the procurement has not been split unnecessarily to bring it within the threshold limits of Low Value Procurement and the procedures as prescribed by the Government have been duly followed”, before placing the procurement order.

- VI. The Low Value Procurement can be done through any of the following methods,
 - i. Limited Tender
 - ii. Through GeM portal

VII. Limited Tender Procedure shall be as follows:-

- i. The procuring agency shall draft detailed description or specifications of to be procured goods, service, or work with estimated cost, format for submission of quotation etc.,
- ii. The procuring entity may opt for Limited Tender Option available on tntenders portal (<https://tntenders.gov.in>).
- iii. Alternatively, the procuring agency shall obtain quotation in physical form in sealed covers from minimum three entities. It is hereby clarified that merely calling for quotations from three entities without actually receiving the quotations from three entities would not suffice to satisfy this condition.
- iv. The procuring entity should intimate registered vendors/contractors, if any, about the proposed procurement.
- v. Quotations shall be received in format prescribed by procuring entity while seeking response. Conditional offers shall not be considered for evaluation.
- vi. The entity quoting the lowest price shall be selected for giving the Letter of Award. In case such entity refuses to supply upon selection of lowest quote, the procuring agency may negotiate with the entity giving the next lowest quote.
- vii. The procuring entity may negotiate with the quoting entity for further reducing the quoted price.
- viii. The entities from whom such quotation is asked shall be registered entities either as companies or limited liability partnerships or societies or establishments under relevant acts.
- ix. The entities from whom such quotation is asked shall be in the business of relevant activity for not less than one year and shall have a turnover in any one of previous three years at least 50% of the value to be procured.
- x. Quotation shall not be sought from individuals or unregistered entities. The procuring entity shall verify such credentials before evaluating the quotation.
- xi. Details of such quotations received shall be entered in a separate register indicating date and time of receipt.
- xii. Due care should be taken to ensure any conflict of interest between the procuring entity and the entities submitting their bid or the officials or shareholders.
- xiii. In all such cases, if the product is available on GeM portal, the rates available on GeM portal should be considered for comparison purpose.

- xiv. The procuring entities shall obtain and verify the basic details of quoting entities such as registration certificates, PAN, GSTN, Udyam certificate etc.,

VIII. Low Value Procurement through Government e-Marketplace (GeM) shall be as follows:-

- i. The GeM portal may be utilized for direct on-line purchase upto Rs.2,00,000/- (Rupees two lakhs only) through any of the available suppliers on the GeM, meeting the requisite quality, specifications and delivery period.
- ii. The GeM portal may also be utilized for on-line procurement using online bidding process provided on GeM for low value procurements upto Low Value Procurement limits through supplier having lowest price, meeting the requisite quality, specification and delivery period after mandatorily obtaining bids.
- iii. While providing specifications, the procuring entity shall ensure that there are at least three registered suppliers on the GeM portal. If the available suppliers are less than three, the procurement shall be done through tenders portal (<https://tntenders.gov.in>).
- iv. The specifications should be such that it should be commonly available as far as possible.

IX. In case of procurement from Startups from Tamil Nadu the procurement procedure shall be similar as stated above with the following modifications: -

- i. The Low Value Procurement Limit will be fifty lakh in case of goods, if procuring entity decides to involve in the procurement Startups from Tamil Nadu manufacturing such goods.
- ii. In such cases, the procuring entity may decide to obtain quotes only from Startups or from Startups and other entities.
- iii. In case of Startups there shall be no minimum criteria either for years of existence or turnover.
- iv. In case where the procuring entity obtains quotes from Startups and other entities (i.e. not exclusively from Startups) and an entity other than Startup becomes the L1, the next lowest quoting Startup shall be given the opportunity to match the price quoted by the L1. In case the price is matched by the said Startup, up to 50% work order can be given to the said Startup.

5. Necessary amendment to Tamil Nadu Financial Code Volume-I will be issued separately.

(BY ORDER OF THE GOVERNOR)

**T.UDHAYACHANDRAN
PRINCIPAL SECRETARY TO GOVERNMENT.**

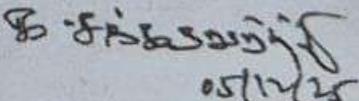
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