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Shri Talleen Kumar, IAS  
CEO  
Government e-Marketplace (GeM)

**Subject: Request for Restricting number of Extensions for Reverse Action (RA) at GeM**

Respected Sir,

***Greetings from MAIT!***

This bears reference to the recent modifications in Reverse Auction (RA) functionality at GeM portal where it allows a customer to specify between 100 and 300 extensions, which was earlier between 3 and 10 extensions. We understand that the implication of this modification is that a RA will now take a minimum of 25 hours to conclude (i.e. 15 mins per extension) as compared to a maximum of 2.5 hours previously. It is practically not possible for sellers to participate in a RA continuously for 25 hrs.

We understand that industry has already raised this issue with GeM and got “in principle” consent from GeM to modify this functionality for ensuring that the Reverse Auction would be conducted only during business hours and then resume the next day. However, assuming that typical business hours are 8 hours at most organizations, this would imply that a Reverse Action will proceed for at least 3 working days which is again not practical.

In view of the Ease of Doing Business and practical difficulties arising of this development, MAIT suggests the following for your consideration:

1. GeM to restrict the minimum number of extensions for Reverse Auction for the customer at 3, however, recommend not to put any upper limit to it. If the customer requires any more than 3 extensions, he will be free to do that. That will ensure both customers and sellers’ interests. This will also address the need of large SI projects that may require multiple days for a proper reverse auction to be conducted.
2. GeM to not recommend/suggest any number of extensions to the customer beyond the minimum number and let the customer choose as per their requirement. The general tendency of customers is to go by the recommendations given by GeM. The current recommendation of specifying between 100 to 300 extensions will lead to customers invariably choosing that option which will again lead to practical challenges

Look forward to your favourable consideration of the request

With regards,

George Paul  
Chief Executive Officer