



Research Article

AN ANALYSIS OF TRAINING NEEDS AND CHALLENGES IN PUBLIC PROCUREMENT IN INDIA

Samir Kumar

NIFM , Faridabad(Haryana)

ARTICLE INFO

Article History:

Received 29<sup>th</sup> November, 2016

Received in revised form 30<sup>th</sup> December, 2016

Accepted 24<sup>th</sup> January, 2017

Published online 28<sup>th</sup> February, 2017

Key words:

Public Procurement, Training, GFR

ABSTRACT

Public procurement is an activity of government both at the level of Centre and State, their autonomous/statutory bodies and public undertakings with varied requirements as per their need. The importance of public procurement cannot be understated in view of the fact that the present procurement of the Indian government accounts for roughly 25-30% of the country's Gross Domestic Product (GDP).

The Present study has been divided into two sections.

**Section -1** highlight on various rules and regulation in practise to ensure transparent and efficient public procurement system in India.

**Section-2** is an analysis of the relevancy of the training programmes on Public Procurement, conducted by NIFM\*, Faridabad for the government officer having different procurement experience based on the feedback given by the participants who took training during the period 2016-17.

© Copy Right, Research Alert, 2017, Academic Journals. All rights reserved.

INTRODUCTION

Backdrop

Status and Recent developments in Public Procurement in India

The Constitution of India forms the basis for the institutional and legal framework for public procurement in India. According to which, the executive powers of the Union of India are vested in the President of India. As per the Constitution, the President by his order, and issuance of allocation rules of the Government of India, financial powers have been vested in the Ministry of Finance. General Financial Rules (GFR) further delegates these powers to the subordinate authorities.

Presently, there is no central law which governs public procurement in India. As of now, comprehensive rules and directives for such procurement are contained in the GFR 2005 and Delegation of Financial Powers Rules (DFPR), in-addition to the department specific purchase procedures for the Directorate General of Supplies and Disposal (DGS&D), Ministries of Defence & Railways and Central Public Works Department. Also provisions mentioned in various Acts such as the Contract Act, 1872, the Sale of Goods Act, 1930, the Law on Arbitration and Reconciliation etc provides abroad framework for public procurement. Further, the guidelines and instructions issued from time to time by Central Vigilance Commission (CVC) in respect of the procedure to be observed / followed in procurement have to be followed by all Central Ministries.

GFR establishes the government procurement procedure as well as the principles for general financial management. The rules concerning "Works", "Procurement of goods and services" and "Contract Management" are contained in chapter 5, 6 and 8 of the GFR. These rules have the status of subordinate legislation. The principles outlined in the GFR are required to be strictly followed in all government procurements. Three separate Manuals on Procurement of Goods, Services and Works have been issued by the Department of Expenditure, Ministry of Finance as a guidelines to all central government departments in the matters of public procurement.

There has been considerable advancement in IT sector within the country in past two decades. Utilising the ICT tools, government procurement has gradually shifted from manual system to **e-procurement** in past decade or so. In the order to bring enforceability, instructions have been issued for mandatory publication of all tenders and related information on Central Public Procurement portal (CPP portal). This has brought about increased transparency in the procurement process. In order to create awareness amongst government officials in usage of CPP portal and to familiarise with the latest development in e-procurement, training program is being regularly conducted by GOI

Objectives of the Present study

Objectives of present study are as under

- To study the current public procurement practices and the current status of the capacity building effort of the government.

- To identify the training needs of public servant in respect of public procurement in current scenario.
- To find out what is the *level of Significance of Association* between Relevancy of the Training on E-Procurement conducted by NIFM and Past Purchase Experience of the various participants taking training in the NIFM.
- To suggest thrust areas for training so as to develop reasonable capabilities and competence amongst government officials.

**Significance of study**

Effective training is expected to result in the following:-

- Dissemination of relevant instructions of GOI amongst officials thereby resulting in better compliance of extant instructions, regulations and achieving socio-economic goal of the country.
- It will result in increase in knowledge & skills of government officials thereby bringing effectiveness in public procurement.
- It will result in increase in capability of executives.
- By managing procurement activities properly, it will result in fairness, transparency, competitiveness and economy in public procurement process.
- It will result in awareness of latest technology thereby increasing efficiency, decreasing lead time and economize procurement activity.
- It will reduce waste and corruption and promote integrity.

It will increase motivation amongst Government officials

**Literature Review**

In past decade or two, there have been few important developments which have brought about changes in public procurement landscape. These are:

- Opening of Indian economy and development of industries.
- Development and growing awareness of consumer protection and right to information.
- Increase in projects funded by International financial institutions / agencies which require compliance of certain specific conditions and practices for procurement.
- Development of worldwide consensus amongst nations about instruments like “*The UNCITRAL Model law of public procurement*”, “*WBs procurement guidelines*”, ratification of WTO’s GPA and ratification of UNCAC 2005 by few countries including India.

Although, number of countries world over is having their own public procurement law / policy, the same is surprisingly missing in Indian context where there is no single central public procurement policy / law. In the absence of a single comprehensive public procurement policy, procurement is mainly governed by administrative rules and procedures contained in the GFR, the DFPR, the guidelines / instructions issued by CVC, the DGS&D manual of procurement and other executive guidelines / instructions issued by various departments from time to time (e.g. In Defence there are two manuals viz. Defence Procurement Procedure and Defence

Procurement Manual). Thus, at present there is multiplicity of rules, instructions, procedures and guidelines as also of agencies issuing the same. As a result of this multiplicity of literature, there is always a possibility of confusion which may result in lack of transparency in the procurement system. Hence for understanding the present practices in public procurement system in India it is necessary to know and understand the basic principles and concepts underlying in these documents / literatures. Accordingly, these documents have been included in literature study.

**METHODOLOGY**

**Representativeness of Sample**

The sample taken for the study logically represents the population of all Central government officials due to following reasons

1. NIFM being the nodal agency (as identified by Ministry of Finance, GOI) nominated for providing training on Public Procurement, the participants attending the program are from various Central government department/ministries, their autonomous bodies, PSUs etc. Hence, as a group, participants represent Central government as a whole. It is practically impossible to have the feedback of all government officials for need assessment considering the paucity of time.
2. For better assessment of need, it is desirable to have sample of participants from various facet of government functions/activities. Some participants are either directly involved in public procurement process for quite sometimes or have a reasonable experience in public procurement during the course of their job. Also there are participants from Finance, User department etc who directly / indirectly interact with the public procurement process and may have totally different set of need for knowledge of public procurement.

**Sample Size**

Therefore, for assessing and arriving at the training needs of Central government officials, data has been taken from the feedback given by the participants of this programme. A sample of such 250 feedback of officers (who took training on Public Procurement for 6 days during January 2016 to December 2016 in the campus of the NIFM, Faridabad) .Responses of these participants were cross tabulated (Chi Square Test) with the help of SPSS.

**Table 1** Numbers of Trainees with respective work experience

Past Purchase Experience of Participants	No of Respondents
Less than 1 Year	50
More than 1 but less than 3 Years	50
More than 3 but less than 5 Years	50
More than 5but less than 10Years	50
More than 10 Years	50
Total	250

**Data Collection**

A feedback form, consisting of Open ended as well as closed ended questions had been framed .Participants were asked to rank the relevancy of the Course on the scale of 1 to 5

.Participants were classified on the basis of their work experience(Past Purchase Experience) . Let’s have a look of the rating chart given below –

**Table 2** Rating of training programme purchase by participants

Rating of 6 Days Training on E-Procurement	
Below Average	1
Average	2
Good	3
Very Good	4
Excellent	5

**Table - 3** Rating used for past Experience

Rating of Past Purchase experience	
Less than 1 Year	1
More Than 1 but less than 3 Years	2
More Than 3 but less than 5 Years	3
More Than 3 but less than 5 Years	4
More than 5 Years	5

**Limitations**

The present study covers the requirement/assessment of training needs in public procurement in the current scenario in India. Considering the purpose of study and constraints of time, this study is limited to following aspects:

- (a) The present study is for the training needs in Indian context, the literature study is therefore mainly concentrated to the study of various current procurement policy / instructions / guidelines / practices within India.
- (b) Considering the vastness of the government procurement system of the country and time constraint for the study, it is not possible to collect relevant data for training need assessment from all the procurement authorities within the country.
- (c) A single comprehensive public procurement policy for central government procurement activities is yet to come up. In its absence, the study for assessment of training needs is limited to the extant instructions currently applicable and mentioned in central government GFR, the DFPR, the DGS&D manual of procurement, the instructions and guidelines issued by the CVC and other executive guidelines / instructions issued by various departments from time to time on public procurement.

**Section -1**

**Macro view of Public Procurement Policy in India**

**The Public Procurement Bill, 2012**

This bill was introduced by GOI vide Bill No.58 of 2012 in the Parliament to regulate public procurement. The bill states the objective as “of ensuring transparency, accountability and probity in the procurement process, fair and equitable treatment of bidders, promoting competition, enhancing efficiency and economy, maintaining integrity and public confidence in the public procurement process and for matters connected therewith or incidental thereto”.

This bill covers the following aspects of public procurement: General principles of procurement, methods of procurement, institutional mechanism- transparency mechanism, grievance

redressal and professionalization, offences, penalties and debarment, miscellaneous issues .Some of the important features of this bill are:

- A. It codifies the basic norms which governs the public procurement. This is a very significant step as presently there is multiplicity of instructions issued by multiple agencies thereby resulting in confusion amongst practicing professionals.
- B. It seeks to ensure transparency, probity and accountability in the sphere of public procurement.
- C. Once this bill is passed by the Parliament, it will impose statutory obligations both on the bidder and the procuring agency to follow the norms specified in the bill.
- D. It serves the twin objective of procurement i.e. on the one hand it talks about “ensuring transparency, accountability & probity...” while on the other hand it gives stress to “fair and equitable treatment of bidders, promoting competition, enhancing efficiency and economy ...”.
- E. The bill is unique in itself as it simultaneously talks both about probity and competition.
- F. Comparative analysis with some of the best practices internationally available such as “The UNCTIRAL model law on Public procurement”, “WTO’s GPA”, “UNCAC” etc shows that the bill simultaneously caters to the concerns of transparency, competition and probity while on the one hand “The UNCTIRAL model law on Public procurement” and “WTO’s GPA” focuses on transparency and competition issues and on the other hand “UNCAC” and “OECD” focuses on probity issue. Thus, the bill is more comprehensive as compared to the best practices globally followed in public procurement.
- G. Focus on probity issue is mainly on account of domestic requirement for tackling corruption. The bill specifies the code of integrity and for non-adherence to such code there are strict provisions specifying penalties and damaging consequences. This code is binding both on the bidder and the procuring agency. Strict punishment is mentioned for both taking and offering gratification.
- H. There is focus on competition issues in the bill through provisions like adequate publicity, requirement for framing objective specifications, compulsory publication of the results of tender, pre-disclosing the criteria for suitability, e-procurement etc.
- I. The concerns for transparency has been addressed through provisions like compulsory requirement of e-procurement, necessary requirement for uploading and exhibiting all matters related to government procurement on CPP portal etc.
- J. The bill also talks about setting up of independent grievance mechanism. However, unlike the provisions in international literatures like “The UNCTIRAL model law on Public procurement” and “WTO’s GPA”, the powers here are restricted to making recommendations only. Also there is no provision for judicial review in this bill. Thus, the provisions mentioned in respect of redressal mechanism falls short of the requirement for ensuring fair play and needs to be reviewed.
- K. The bill seeks to provide national treatment to foreign bidders unconditionally which may sometimes be

disadvantageous as it may reduce negotiating power of the procuring officials.

- L. The bill simultaneously takes care of the requirement for public procurement to be non-discriminatory and also provides for offsets like provision for purchase and price preference, a limited degree of preference to MSEs etc.

#### **General Financial Rules, 2005**

GFR are general rules and provisions which are required to be followed by all ministries and departments of GOI while dealing with financial matters. GFR permits respective departments to frame their detailed instructions as per their requirement which should however be based on the provisions mentioned in it. Chapters 5, 6 & 8 of GFR deals with issues related to "Works", "Procurement of goods and services" and "Contract management" respectively. These chapters cover the following aspects-powers to sanction works, general rules related to works, procedure for execution of works, review of projects, fundamental principles of public buying, various purchase methods, registration of suppliers, enlistment of Indian Agents, pre-tender opening activities and post contract activities, guidelines in respect of procurement of services, guidelines in respect of outsourcing of services, general principles for contract, management of contract.

Although GFR is a compendium of rules which facilitates government officials in performance of government business observing financial propriety and ensuring accountability, but there are few limitations in it which are as under:

#### **Manual on policies and procedures for purchase of goods**

GOI under its DFPR has delegated powers to the ministries and departments for arranging goods. Accordingly, while discharging their duties and functions, a huge amount of public fund is utilised by various department and ministries in procurement of goods. Thus, this delegated power needs to be exercised with due diligence observing the rules and guidelines.

To ensure that there is no arbitrariness in public procurement by the ministries / departments and the procurement system is uniform, transparent, competitive and fair, a manual has been issued by the Ministry of Finance, Department of expenditure, which specifies basic norms and practices and acts as guidelines to all central government departments in the matters of procurement. The manual on procurement of goods covers the following aspects of procurement: Objective and general policies of purchase, issues related to General principles of entering into contract, aspect related to formulation of appropriate specifications and allied technical particular of goods, guidelines and procedures for registration of suppliers as well as their banning / suspension, different modes of purchase, all tender related activities pertaining to and up-to receipt and opening of tenders, rules in respect of earnest money and performance security, post contractual issues such as terms of delivery, delivery period and its extension for delay in supply, transit insurance, cancellation of contract etc., Basis and component of price and terms of payment for both indigenous and imported supplies, matters related to quality control and inspection of ordered goods, post tender opening activities such as evaluation of tenders, formulation of purchase proposal and placement of contract, guidelines for contract management, mechanism for

settlement of disputes, Issues related to rate contracts, other miscellaneous issues.

#### **CVC's check points for various stages of public procurement**

CVC is a statutory organisation and an apex vigilance organisation of the country. It is free from the control of executive and controls all matters related to general vigilance of GOI. This institution was formed in 1964 for looking into the cases involving lack of integrity and probity. The major functions of this institution include investigation of complaints related to matters of corruption, auditing of cases from vigilance angle and assisting CBI in investigation of cases. As per CVC Act, officials of All India Services, Group A officers of Central Services and other officials above certain grade of PSUs, RBI, banks etc comes under the purview of CVC.

The check points issued by CVC are illustrative in nature with an objective of ensuring equity, transparency and fairness in public procurement. Being illustrative in nature, organisation is free to modify these guidelines to suit its special requirement, if necessary, on case to case basis. The check points along with guidelines are for the following aspects of procurement: Work/Purchase manual, Scope of work, Administrative approval & expenditure sanction, Consultancy, Detailed project report(DPR)/Detailed estimates, Design and drawings, Tender documents, Pre-qualification, Inviting & opening of tenders, Tender valuation and award of work, Contract agreement, Payment of the contractors, Site records, Site inspection, Leveraging information technology, Integrity pacts.

These check point serves as guiding instructions both for executives and vigilance officials dealing with public procurement.

#### **CPWD works manual**

CPWD is the principal agency of Government of India for dealing with the matters related to creation of assets and infrastructure and thereafter their maintenance. Its duties include planning, designing, constructing and maintaining the offices and residential buildings of all the Central government departments and ministries.

CPWD works manual forms the basic framework for any construction work which includes activities like planning, designing and execution of work. It contains instructions, guidelines and procedures to be followed during various stages of work beginning from assignment of work and up-till its completion. These guidelines are mainly based on GFR. This manual is generally used by other central government departments and undertakings and acts as the basic guidelines for matters related to works.

#### **DGS&D manual**

DGS&D manual is an exhaustive procurement manual covering all the issues related to procurement of goods. This manual is often referred to by other Ministries / departments in matters related to procurement of goods.

The manual covers following aspects of procurement: General principles of entering into contract, Procurement objectives and purchase policy, Supply of specifications & drawings, Registration of firms, Earnest money and performance

security, Indent receipt, registration, allocation, planning and monitoring, Methods of purchase, issue and preparation of tender enquiry, Evaluation of tenders and formulation of purchase proposal, Elements of price and their variations, Drafting of Ad-hoc contracts, Delivery date in contracts/ progress of supplies/review of performance, Rate contracts, Inspection of stores, Finalisation of purchase cases & settlement of claims, Payment of cost of stores supplied against DGS&D contract, Departmental charges and service rendered by DGS&D, Settlement of disputes/claims arising out of the DGS&D contract through arbitration/court, Delegation of powers

#### **World bank Guidelines on Procurement of Goods, Works, and Non-Consulting Services**

These guidelines are applicable for projects which are partly or wholly financed by a loan from international financing agencies such as the IBRD, a credit or grant from the IDA, PPA, a grant from the Banker a trust fund administered by the Bank and executed by the recipient.

The agreement between the financing institution and the borrower defines the legal relationship between the two parties which forms the basis for applicability of these guidelines in the matter of procurement of goods, works, and non-consulting services for the project. However, the responsibility of execution and administration of the contract is of the borrower but it has to be ensured by him that loan is only used for the purpose as defined in the agreement giving due concern for economy and efficiency of operation but without regard to any political influences or any other non-economic considerations.

#### **ADB's Procurement guidelines, 2015**

These guidelines are applicable for projects which are partly or wholly financed by a loan from international financing agencies such as the ADB or through grants financed by ADB or through funds administered by ADB.

The agreement between ADB and the borrower defines the legal relationship between the two parties which forms the basis for applicability of these guidelines in the matter of procurement of goods and works for the project. However, the responsibility of execution and administration of the contract is of the borrower but it has to be ensured by him that loan is only used for the purpose as defined in the agreement giving due concern for economy and efficiency of operation but without regard to any political influences or any other non-economic considerations.

Major issues covered in these guidelines includes

- Introduction covering issues like general considerations, eligibility, procurement plan, fraud & corruption etc.
- International competitive bidding( ICB) contain aspects related to "General issues, bidding document, bid opening, evaluation and award of contract, Modified ICB"

#### **Defence Procurement Manual (DPM)**

The acquisition of defence equipment & the modernisation of armed forces is a complex process. It is required to be strictly as per the procedures mentioned in different manuals and rules including the DPP & the DPM. DPP handles the

acquisition of new capital equipments while DPM covers revenue procurements.

DPM is a set of detailed procedures for meeting the operational requirements of goods, services etc of armed forces so as to maintain its operational effectiveness. Since significant proportion of requirement is imported, to promote indigenisation, offset policy has been introduced, which requires foreign vendors to necessarily go for joint ventures or invest in Indian firms.

#### **Defence Procurement Procedure (DPP)**

DPP is a unique and complex document which has to simultaneously cater to the requirement of transparency, probity and accountability in public procurement but has also to tackle complex conditions such as supplier constraints, complexity of technology, regulation of other countries, non availability of materials held by vendors of other nations, high procurement cost and its implication on foreign exchange, other political issues etc.

Despite complexity in defence procurement, MOD has come up with DPP focused towards "Make in India" concept and aims at self reliance in the sphere of defence procurement. Normally, defence projects are with long gestation period but DPP tries to aid in faster decision making so as to ensure effective and efficient procurement system.

Some of the salient features of DPP 2016 are as under

- A. Introduces a new procurement category i.e. "Buy (Indian designed, developed and manufactured)". As per this new provision there has to be at-least 40% indigenous content with procurement from Indian vendor that is indigenously designed, developed and manufactured. In case it is not indigenously designed & developed, then there should be at-least 60% indigenous content.
- B. The new procedure expands the "make" procedure as

Government funding up-to 90% to Indian private firms with the provision of 20% advance and for reimbursement of balance 10% if government does not give tender within 24 months and firm develops a prototype.

- Industry funded with the provision that the government will refund entire cost of development in case tender is not issued within 2 years of the development of prototype.
  - Projects less than Rs. 3 crores exclusively reserved for MSMEs
- A. The provision of offset raised from Rs. 300 crore to Rs 2000 crore.
  - B. Measures have been taken to speed up the procurement process like reducing validity period for Accord of necessity from 2 years to 1 year, enhancement in delegation of powers etc.
  - C. "Indian vendor" has been defined. However, further clarity is required whether wholly owned subsidiary of a foreign company will qualify as IOP.
  - D. Provides an opportunity to MSEs in R & D works for funding between Rs 3 to 10 crore
  - E. FTP made applicable to cases where there is undue / unforeseen delay.

**Indian Railways Stores Code and Works Manual**

All material management activities are governed by the provisions mentioned in the two volumes of Stores code while the matters related to works are contained in Works manual. In conjunction to these code and manual, there are number of executive instructions issued from time to time related to these activity which has to be followed.

The Store code covers all the procurement related activities of goods from indent generation up-till the final completion/satisfaction of demand. It also covers procedure for proper receipt, accountal, storage, custody and issue/supply of stores to ultimate consignee. Procedure for management and disposal of unusable material/scrap is also contained in the code.

**Section -2**

**Analysis of Relevancy of Training on Public Procurement**

**National Training Policy, 2012(NTP)**

For the matters related to training of central government officials, DoPT is the nodal agency of GOI. With the liberalisation and opening of Indian economy in 1990s, DoPT formulated the National Training Policy in 1996. However, subsequently capacity building measures were reviewed due to change in governance environment and emerging challenges and NTP, 2012 was formulated.

Some of the significant features of NTP are as under:

- A. The policy states the training objective of GOI as “to develop a professional, impartial and efficient civil service that is responsive to the needs of the citizens”.(DoPT, 2012)
- B. The policy talks about changed scenario in the sphere of human resource development where now individual is not simply considered as cost but is considered as a key resource which should be developed, motivated and enabled so as to achieve the objectives of the organisation.
- C. Each organisation should follow a systematic approach to training by creating a training cell to be headed by a training manager who should be a nodal officer of the organisation in all matters related to implementation of training. The cell should link all posts with the required competencies and accordingly develop and implement suitable CTP and ATP.
- D. The policy talks about moving in the direction of competency-based approach where training plan of an organisation should address to the gap between the required and existing competencies and provides an opportunity to an individual to develop the desired competencies.
- E. Training should be provided at the time of entry into the service and at appropriate intervals during the career. Thus, training is to be provided as the need arises and not necessarily at the mandated points of the career through a mix of conventional courses, e-learning and distance learning.
- F. Policy gives importance to Trainers development through training of trainers and coins the concept of “once a trainer, always a trainer”.

- G. For exposure to the latest thinking on the subject and best practices of various countries, the policy stresses the need to continue foreign training.
- H. Policy also talks about monitoring and evaluation of training programmes so as to increase its effectiveness and improve delivery of services by up-gradation of knowledge and skills thereby increasing responsiveness to citizens needs.

**Relevancy of the Training on Procurement by NIFM and Work Experience of the**

**Govt Officers (Respondents) who took training in NIFM**

As discussed above, feedback of 250 government officers (who took training on Public Procurement for 6 days during January 2016 to December 2016 in the campus of the NIFM, Faridabad) were cross tabulated with the help of SPSS. We are going to test the following hypothesis through the cross tabulation---

**Null Hypothesis:** There is no significance of association between Relevancy of the Training on Procurement conducted by NIFM and Past Purchase Experience of the Various Participants.

**Alternative Hypothesis:** There is a significance of association between Relevancy of the Training on Procurement conducted by NIFM and Past Purchase Experience of the Various Participants.

The explanation of the SPSS output is as follow---

**Table 4** given below gives the case process summary of the cross tabulation----

<b>Table -4: Case Process Summary</b>						
	Valid		Cases Missing		Total	
	N	Percent	N	Percent	N	Percent
Work Experience *						
Relevancy of Training	250	100.0%	0	0.0%	250	100.0%

A detailed cross tabulation of relevancy of course for versus work experience of Participants is given below in table no 5 --

**Table -5** Cross tabulation of relevancy of course for versus Work experience of Participants

**Interpretation**

Here we try to find the inter relationship between the purchase experience and relevancy of the course. Relevancy of the course is the Dependent variable and past purchase experience is the independent variable .if we see the cross tabulation we find that lesser the past purchase experience, more is the relevancy of the course

**Explanation of Pearson’s Chi-quare**

**Chi-square:** The test is applied we have two categorical variables from a single population. It is used to determine

whether there is a significant association between the two variables. In this analysis our single population is participants of NIFM, who got training and the two categorical variables are –work experience of the participants and ranking towards relevancy given by the participants for the training Programme. Chi Square calculated is given below in the table no -6

**Table -6** Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	78.760 <sup>a</sup>	12	.000
Likelihood Ratio	83.338	12	.000
Linear-by-Linear Association	61.204	1	.000
N of Valid Cases	250		

a. 5 cells (25.0%) have expected count less than 5. The minimum expected count is 2.80.

**Interpretation:** The value of Pearson’s Chi Square test clearly states that there exists a significant interrelationship between the purchase experience and relevancy of the courses as the calculated value of Chi-square (31.57) is greater than tabulated value. The value of p(0.00) is less than 0.05, which suggest us to reject the null hypothesis and accept the alternative hypothesis.

**Explanation of Contingency Coefficient**

**Contingency Coefficient:** Contingency coefficients can be used to estimate the extent of the relationship between two variables, or to show the strength of a relationship. The contingency coefficient gives us the measure of strength of the output, if value close to 0, there is no strong correlation between the two. Table no 7 given below gives the value of contingency coefficient-

**Table No -7** Contingency Coefficient

Symmetric Measures				
	Value	Approx. Std. Error <sup>a</sup>	Approx. Sig.	Exact Sig.
Nominal by Nominal - Contingency Coefficient	.491		.000	.000 <sup>b</sup>
Nominal by Nominal - Phi	.491	.041	.000	.000 <sup>c</sup>
Nominal by Nominal - Lambda	.480	.051	.000	.000 <sup>c</sup>
N of Valid Cases	250			

a. Based on the null hypothesis  
 b. Using the asymptotic standard error assuming the null hypothesis  
 c. Based on chi-square approximation

**Interpretation.** The value of Coefficient is 0.49, which means there exists a moderate relationship between the two.

**Explanation of Lambda**

**Lambda:** Lambda is a measure of reduction in error in measuring the association between the two variables.

**Table -8** Directional Measures of LAMBDA

Directional Measures				Value	Asymp. Std. Error <sup>a</sup>	Approx. Sig. <sup>b</sup>	Approx. Sig. <sup>c</sup>
Nominal by Nominal - Lambda	Symmetric	Relevancy of the course	Dependent	.714	.085	.000	.019
		Work experience	Dependent	.651	.100	.000	.054
		Relevancy of the course	Dependent	.653	.076	.000	.000
Goodman and Kruskal's Lambda	Symmetric	Relevancy of the course	Dependent	.710	.074	.000	.000 <sup>c</sup>
		Work experience	Dependent	.655	.082	.000	.000 <sup>c</sup>

a. Based on the null hypothesis  
 b. Using the asymptotic standard error assuming the null hypothesis  
 c. Based on chi-square approximation

(Refer Table no -8) the maximum value of Lambda is 1 and the minimum value is 0. When there is no association between the two variables, and knowledge of one variable does not help reduce the number of errors of prediction for the second variable, the number of errors of prediction is the same in each of the two cases, and = 0. On the other hand, if the two variables are perfectly associated, so that there are no errors of prediction when the second variable is known.

**Interpretation:** In our case it is 0.161, which means there is 16.10 percent error reduction.

**Observations and Suggestions**

The Training Programme on Procurement is highly relevant for Participants with lesser past purchase experience. Need of the hour is updating of the course based on the work experience of the participants. Further, following recommendations can be made:

- A. Need for enactment of Public Procurement Act:** Presently, public procurement is being dealt in accordance to administrative rules and procedures which are nothing but executive orders without having any legal enforceability. Absence of a single uniform public law results in confusion in procurement practices of various government departments thereby raising doubts on its transparency and objectivity. Considering such a huge volume of purchase, the importance of a sound and effective public procurement system is crucial for ensuring country’s security, quality of infrastructure and services and for all round welfare of the citizen. Hence there is a need for government to enact the Public Procurement Bill on priority.
- B. Providing specialised training:** Public procurement should be considered as a task requiring professional skill which will not only depend on the basic ability and education of an individual but also on ones specialised skill in public procurement. Thus, specific training is required to be given to upgrade skills. However, training imparted should not be restricted to creating awareness about extant rules / instructions but should also cover basics and nuances of government procurement such as formulating contractual conditions, writing description and specification of item for procurement etc.
- C. Need to develop institutional framework in capacity building:** Till recent past, capacity building effort were limited to specific departments or ministries.

Experience shows that only limited number of officials had some training in public procurement. Hence there is a need to develop institutional framework for appropriate capacity building. Normally, approach has been to create capacity for training in a training institute. Considering the huge requirement for capacity building, the institutional capacity needs to be upgraded. Training institute should have requisite trainer, infrastructure and finances to synchronize with the need. Also these institutes should develop professional courses suiting the current need.

**D. Supplementing training needs with distance and e-learning:**

The experience of a capsule course at NIFM shows that limited number of officials could be given training in a space of a year or so. Hence it may not be possible to provide training to all central government officials in their service career through the current mechanism. Since the current need for training covers the large number of central government official dispersed across the country, Distance and e-learning appears to be an appropriate mode of training, which can easily cover the huge requirement for capacity building. Therefore, the current training efforts should be augmented and supplemented with distance and e-learning.

**E. Need to keep pace with technological advancement-**

Advancement in IT and requirement to make the procurement system more transparent had propelled the government to shift to e-procurement. As this is a recent development in public procurement system and is indispensable activity in current scenario, all officials should be given training on e-procurement for upgrading their skill.

**F. Recommendation specific to NIFM course:**

Although NIFM's effort in training officials on public procurement is appreciable, the analysis of feedback reflects some anomalies. Few suggestions which may take care of these anomalies are:

- Considering the quantum of input to be given to the trainee in the sphere of public procurement, training of one week is grossly insufficient and the same should be at-least for 2 week. This will enable the trainer in exhaustive coverage of topics with relevant case studies, in covering all relevant topics and provide reasonable training coverage on e-procurement.
- To cater to the huge training need, NIFM needs to supplement the current training programme with Distance and e-learning programme.

**References**

- 'Indian Railways: Looking Ahead to the Future. Government of India', Ministry of Railways, Government of India, New Delhi, India, available online at [www.indianrailways.gov.in](http://www.indianrailways.gov.in)
- The General Financial Rules, (2005), Ministry of Finance, Department of Expenditure, Government of India, New Delhi
- The Public Procurement Bill (Draft), 2011, Planning Commission, Government of India, September 2011
- The Public Procurement Bill, 2011, Planning Commission of India, New Delhi
- The World Bank, India Country Procurement Assessment Report, December 2003
- Chandrasekhar, R., (2009), National e-Governance Plan (NeGP), A Presentation, Department of Information Technology, New Delhi
- NASSCOM and ZINNOV Management Consulting, (2011), 'India's Domestic IT-BPO Market: Winds of Change', NASSCOM, India
- NASSCOM, (2011), 'Indian IT-BPO Opportunities in the Government Procurement Market Globally', NASSCOM, India
- NASSCOM, (2010), 'E-Governance & IT Services Procurement Issues, Challenges, Recommendations – A NASSCOM Study', NASSCOM, India
- Price Waterhouse Coopers India and CII, (2011), 'Changing Landscapes and Emerging Trends: Indian IT and ITeS Industries' pp 1 - 78

\*\*\*\*\*