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

Subject: Concerns regarding QCI's Vendor Assessment Program (VAP) for Electronic Products

Respected Sir,

## Greetings from MAIT!

We greatly appreciate the GeM platform and its initiatives in streamlining procurement processes. We wish to express our concerns regarding the Vendor Assessment Program implemented by the Quality Council of India (QCI).

Industry is facing several issues with the QCI's Vendor Assessment Program, which we believe needs immediate attention and rectification.

Request for Irrelevant Documents: QCI's assessment process often requests documentation that is irrelevant to the electronics industry or product categories. This leads to unnecessary delays and confusion in the assessment process, affecting the industry's ability to provide products and services efficiently.

For example- The majority of the companies in India do the assembly of components and sell them in the market, such companies are not design manufacturers. Seeking PCB design layout and asking for SMT line details is not relevant to such companies.

**3rd Party contract manufacturers:** There are many cases where companies engage 3rd party contract manufacturers (EMS companies) for manufacturing their products, in such cases, the asks by QCI stands redundant as the Brand owners are not manufacturing the products. There should be provisions in the VAP for such cases. The factory or the manufacturer, if certified, any brand buying from such entity should not be asked for existential documents repeatedly, like COI, Beneficial ownership, etc. Such a facility should be given a code that is integrated into the QCI website. Once the manufacturer code is input by the Brand, the ownership documents should not be asked again. QCI has every right to focus on the audit of manufacturers and brands any time they want.

**Disclosure of the Auditing process:** QCI should define the overall timeline for the VAP. As of now, a lot of companies suffer huge losses due to uncertain timelines. QCI shall furnish a set of parameters on which the assessment will take place beforehand or standardize the parameters including documents / Document types sought by them. The actual assessment shall proceed only after the document pre-check. Currently, QCI provides information on the accuracy or types of documents only after the assessment process has started.

Misunderstanding of OEM and ODM: QCI's assessors have repeatedly demonstrated a lack of understanding of the fundamental difference between Original Equipment Manufacturer (OEM) and Original Design Manufacturer (ODM). This misunderstanding has resulted in inaccurate assessments and a failure to recognize the unique contributions and capabilities of ODMs in the

electronics industry. The majority of MSMEs don't fall under the category of ODMs, hence, they don't possess the design details of the products and don't need SMT line for PCB level operations.

We believe that addressing these concerns is crucial to maintaining the integrity and efficiency of the vendor assessment process, particularly for electronics vendors. To this end, we kindly request the following actions:

Consultation with MeitY and Industry: We recommend that any changes or updates to the vendor assessment program for electronics be thoroughly discussed and consulted with the Ministry of Electronics and Information Technology (MeitY) and representatives from the industry. This collaborative approach will ensure that the program aligns with industry standards and requirements.

**Revised Assessment Criteria:** QCI should review and revise its assessment criteria to ensure they are relevant and specific to the electronics sector. This will help streamline the assessment process and eliminate unnecessary documentation requests.

Proper training and education of QCI assessors regarding the nuances of the electronics industry, including the distinction between OEM and ODM, should be conducted to improve the accuracy of assessments.

**Requesting Extension**: We also request that basis the latest changes by QCI in the vendor assessment program. There are many small companies whose products have not been able to qualify for the assessment and due to this, their business is getting severely affected. Such companies shall be given an extension of at least 3 months till the time QCI VAP is restructured with Industry and MeitY consultation.

We believe that these steps will enhance the effectiveness of the Vendor Assessment Program, reduce discrepancies and ultimately benefit both vendors and the GeM platform as a whole.

Industry is committed to continuing collaboration with GeM and providing high-quality electronics products to Government agencies. However, it is crucial that the vendor assessment process is fair, transparent and aligned with industry standards.

We look forward to your prompt attention to these matters and hope to see positive changes in the Vendor Assessment Program for electronics on GeM.

To discuss the issue in detail, <u>we also request a suitable date and time to meet you at your good office</u> and we would greatly appreciate your kind confirmation.

Warm regards,

Col Suhail Zaidi (Retd)

**Director General** 

CC: Dr Rajneesh, IAS, AS&DC, Ministry of MSME

CC: Smt. Manmeet K Nanda, IAS, Jt. Secretary, DPIIT

CC: Ms. Asha Nangia, Sr. Director & Group Coordinator, MeitY

CC: Dr. K K Soundra Pandian, Addl. Director, MeitY

CC: Dr. Ravi P. Singh, Secretary General, QCI