

## Study of e-Governance initiatives: e-Procurement a Business Reform Process for Odisha's Development

Shaikh Imtiyaj, Er. Govinda Chandra Mangual, Dr. A K Hota

Senior Programmer, eProcurement Project, Ministry of Elect & IT, NIC, Bhubaneswar, Odisha, India  
Chief Engineer cum Chief Manager (Tech), eProcurement Cell, Govt. of Odisha, Bhubaneswar, Odisha, India  
Scientist-Senior Technical Director, Ministry of Elect & IT, Bhubaneswar, Odisha, India

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**Abstract:** Odisha is the one of the 29 states of India located in the eastern coast. Odisha which is the eleventh largest state of India in population, is working to provide better services to all the citizens in a transparent manner. Odisha is the first position among smart cities. The capital of Odisha, Bhubaneswar is the Number.1 smart city in the country. e-Governance aims to provide good governance to the public by using the Information and Communication Technology (ICT) for speedy, accurate, transparent and secured services. Information and Communication Technology is being increasingly used in daily life of a common man and it has become the nucleus part of providing the better governance services to the citizens of a country. Now a days, departments, business sectors and customers alike collect, store and transmit vast amount of information electronically and they want to believe that this information is secure. Hash functions are the most widespread among all cryptographic primitives and are currently used in multiple cryptographic schemes and security protocols. A Digital Signature Certificates (DSC) provides high level of security for online transactions. We study from various Government of Odisha departments like Works, water Resources, RD, H & UD, SC & ST Development, Agriculture Dept etc, 33 State PSUs and 106 urban local bodies. Central Government departments like Dept. of Posts, CRPF and Central Government PSUs like NALCO, Paradip Port Trust etc. This study focuses a humble effort towards noble goal of developing the easy and secure way of online tendering process among departments and bidders of Odisha in public domain for Odisha's development. In this research paper the study, design, implementation and results of an online tendering process is presented. The implementation of online tendering system is increasing day by day among different departments and PSUs for its superior level of security, transparency, strong authentication of digital signature certificate and time stamping technique. E-Procurement provides the healthy competition among bidders and real time bidding over the internet yielding cost saving to the public exchequer which reduces the tender related crimes is certainly a significant achievement on the way to a better and honest nation's development. To enhance the power of security and better implementation further research is in progress. This study focuses on different opportunities of G2B initiatives in India. The basic objective of research is to provide a model for better implementation of e-Governance application.

**Keywords:** e-Procurement, Digital Signature Certificate, Information and Communication Technology, e-Governance

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### I. Introduction

Odisha is the one of the 29 states of India located in the eastern coast. Odisha which is the eleventh largest state of India in population, is working to provide better services to all the citizens in a transparent manner. Odisha is the first position among smart cities. The capital of Odisha, Bhubaneswar is the Number.1 smart city in the country. e-Governance aims to provide good governance to the public by using the Information and Communication Technology (ICT) for speedy, accurate, transparent and secured services. Information and Communication Technology is being increasingly used in daily life of a common man and it has become the nucleus part of providing the better governance services to the citizens of a country. Now a days, departments, business sectors and customers alike collect, store and transmit vast amount of information electronically and they want to believe that this information is secure. Hash functions are the most widespread among all cryptographic primitives and are currently used in multiple cryptographic schemes and security protocols. A Digital Signature Certificates (DSC) provides high level of security for online transactions. We study from various Government of Odisha departments like Works, water Resources, RD, H & UD, SC & ST Development, Agriculture Dept etc, 33 State PSUs and 106 urban local bodies. Central Government departments like Dept. of Posts, CRPF and Central Government PSUs like NALCO, Paradip Port Trust etc. This study focuses a humble effort towards noble goal of developing the easy and secure way of online tendering process among departments and bidders of Odisha in public domain for Odisha's development.

In this research paper the study, design, implementation and results of an online tendering process is presented. The implementation of online tendering system is increasing day by day among different departments and PSUs for its superior level of security, transparency, strong authentication of digital signature certificate and

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The use of Information Technology particularly web based internet applications to enhance the access to and delivery of government information and services to their citizens, public agencies, employees, business partners, financial institutions and government departments. The rapid growth of competition in the market and the consequent changes in economic conditions impose organizations and firms to implement new technologies to stay competitive. The Central, State Government, Judiciary, Autonomous Bodies, Boards & Corporations, PSUs, Joint Ventures, Statutory Bodies, Commissions and Councils have invested in numerous initiatives throughout the length and breadth of the country aimed at extending the benefits of information revolution to rural and remote area. The Government envisions providing good governance by establishing a Committed, Accountable, Responsive, Inspiring, Nationalist, and Genuine Government - CARING Government. e-Procurement is one of the best vehicles that are being gainfully used in reaching the goal of CARING governance

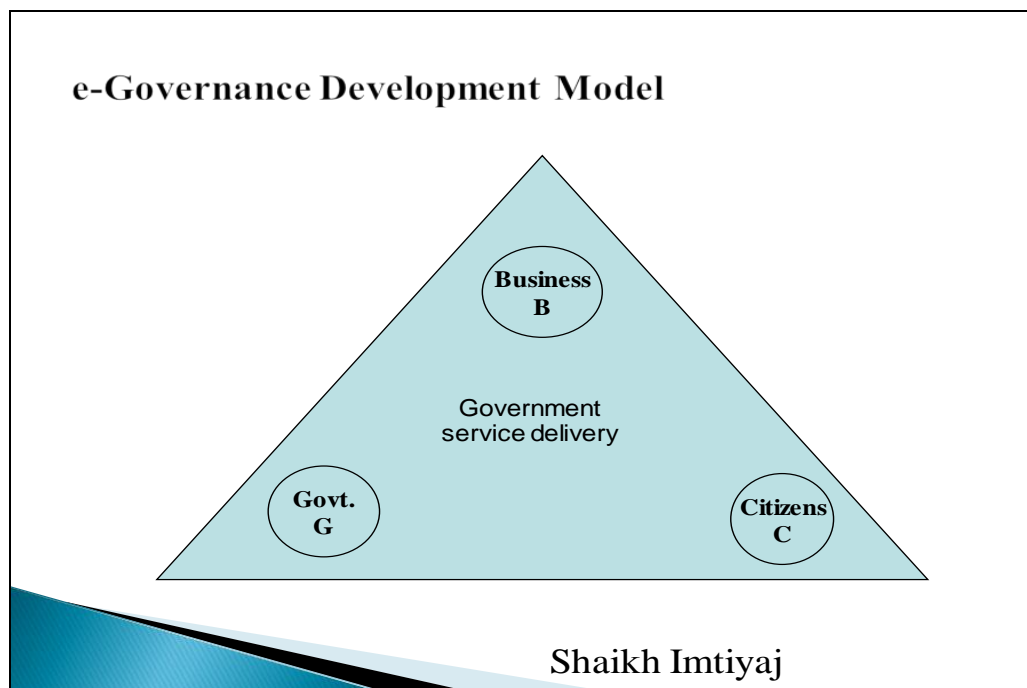
**e-Governance: Objective**

- ◆ Providing information speedily to all citizens
- ◆ Improving transparency
- ◆ Improving public services such as transportation, power, health, water, security and municipal services etc.
- ◆ Reduce Corruption

**e-Governance development models :**

The e-Governance Models are

- ◆ G2C : Government to Citizens
- ◆ G2B : Government to Business
- ◆ G2G : Government to Government



**Figure 1:** e-Governance Development Model

**II. e-Procurement**

A major Government to Business e-Governance initiative to bring transparency in public procurement process is e-Procurement.

e-Procurement, commonly known as Electronic procurement.

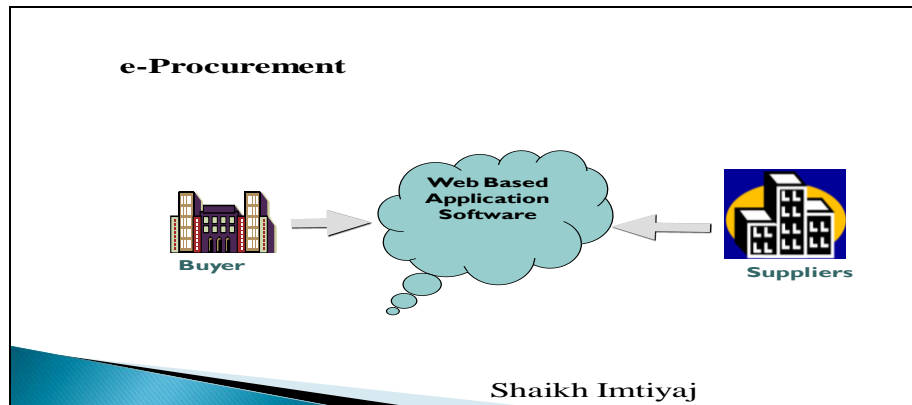


Figure 2: e-Procurement Cycle

e-Procurement is the business-to-business or business-to-consumer or business-to-Government purchase and sale of Supplies, Works and Services using the Internet. e-Procurement caters to the online tendering process from online tender creation to award of contract(AOC). Using e-Tendering the Departments can create the tender, publish the tender, receive bids, open the tenders, evaluate tenders and finally publish award of contract. Using e-Tendering, the bidders can search tenders, submit bids online and track the status of their bids. Timely and efficient delivery of e-Governance services is an important aspect. Indian IT-Act 2000 has mandated the usage of Digital Signature Certificate (DSC) for e-Procurement.

**Benefits of e-Procurement:**

For data encryption and security purposes, the Digital Signature Certificate is essential to operate in e-Procurement.

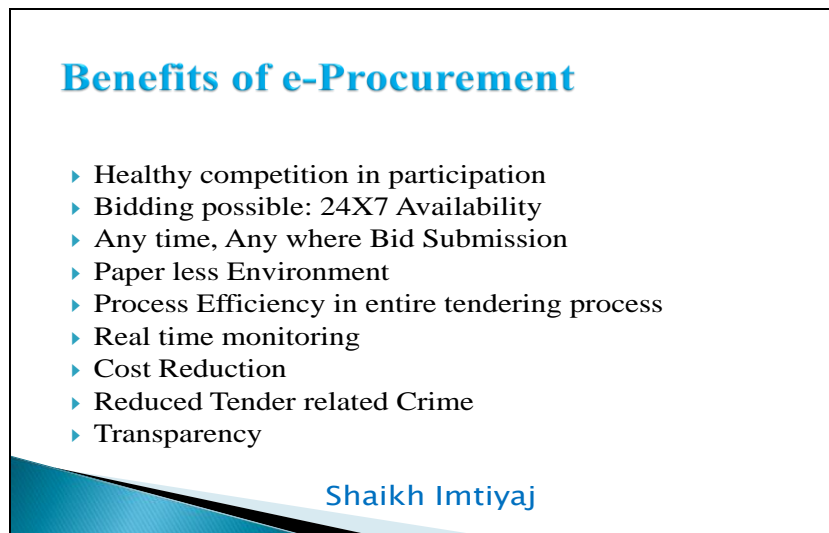


Figure 3: Benefits of e-Procurement

**Roles in e-Procurement:**

- **Creator of the Tender:** - The Tender will be created by the officer by using his/her Digital Signature Certificate, as per approved by the Department Nodal Officer.
- **Publisher of the Tender:-** He will be normally the Head of the Dept (HOD) of the concerned technical department and will be the responsible person for timely and accurately hosting of tender on the portal
- **Opener of the Tender:** - The tender will be decrypted and opened with the Digital Signature Certificates of each opener as identified during publishing the tender. Each opener will have to access one by one for bid opening. The Tender technical core committee members will be normally the openers of tender as decided by the Nodal Officer.
- **Evaluator of the Tender:** - The Evaluator is the person who will evaluate the tenders and upload the final decision of the Tender Evaluation Committee.
- **Auditor:** He will be given privileged access to audit tendering process.

### III. Details of e-Tendering Process

#### e-Tendering Process :

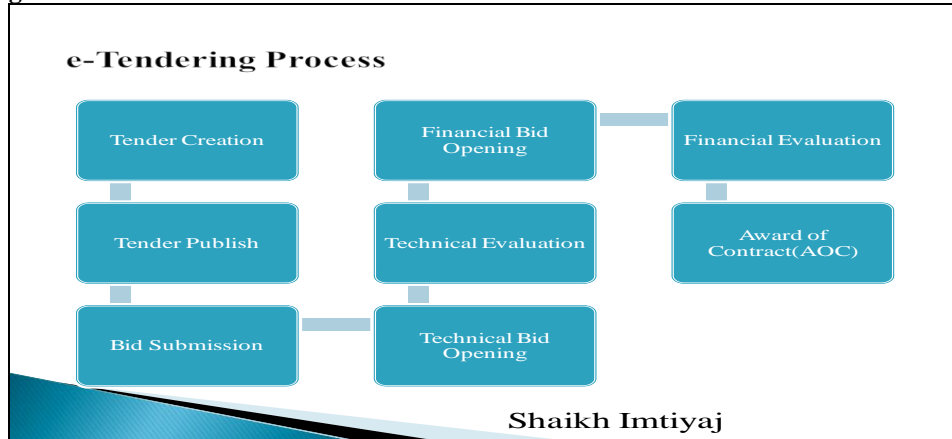


Figure 4: e-Tendering Process

#### Tender Creation:

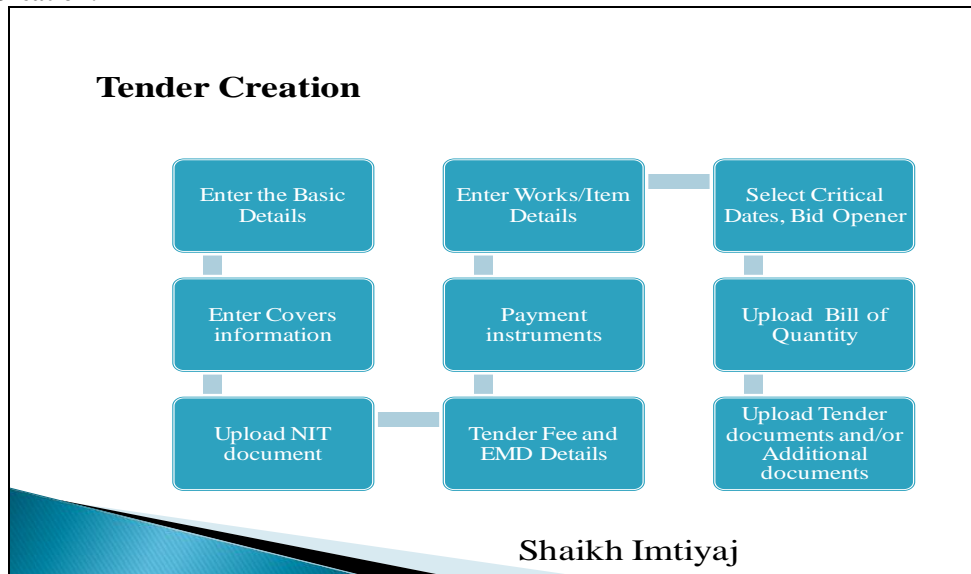


Figure 5: Tender Creation

#### Tender Publish:

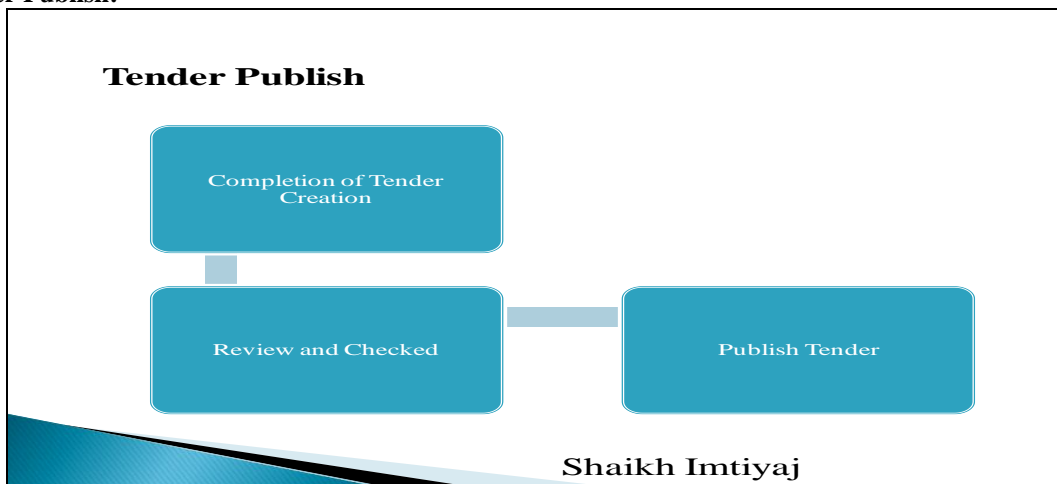
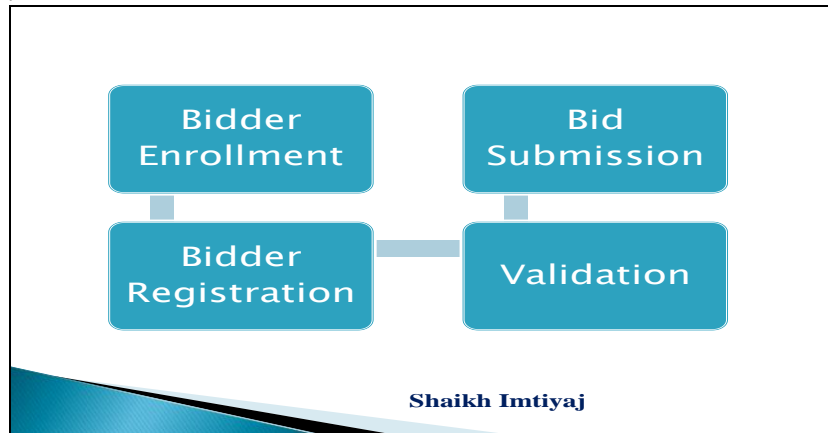


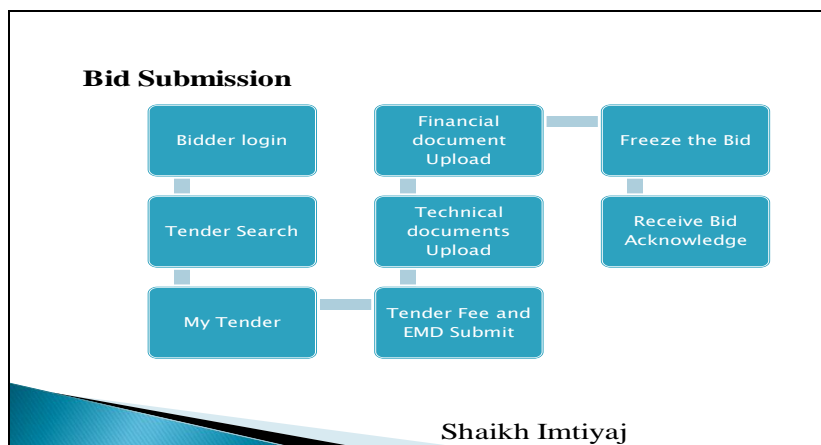
Figure 6: Tender Publish

**Bid Submission:**



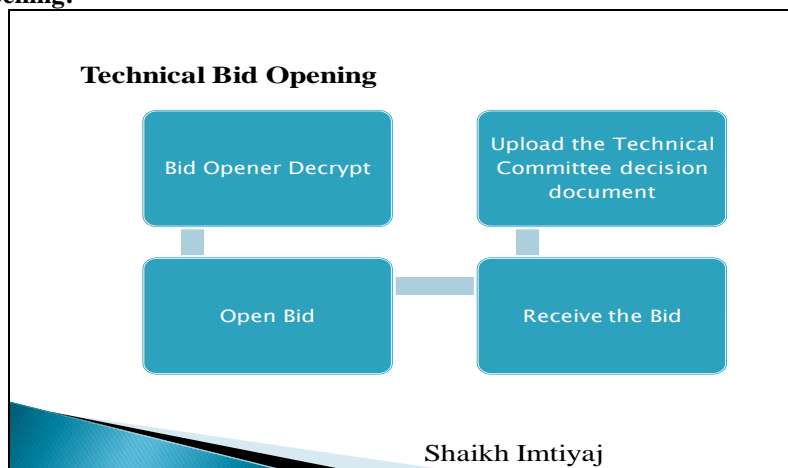
**Figure 7:** Bidder Process

- **Bidder Enrollment:** - Bidder submits valid login ID and follows the password policy to provide password. Bidder provides detail information to the portal.
- **Bidder Registration:** - Here bidder signing certificate is to be register in the Government of Odisha eProcurement portal.
- **Validation:** - According to Government of Odisha protocols, the bidder's original documents will check and if comply then provides validation. The years of validation are 1 year or 3 years as concern department's rules and regulation.
- **Bid Submission:-**



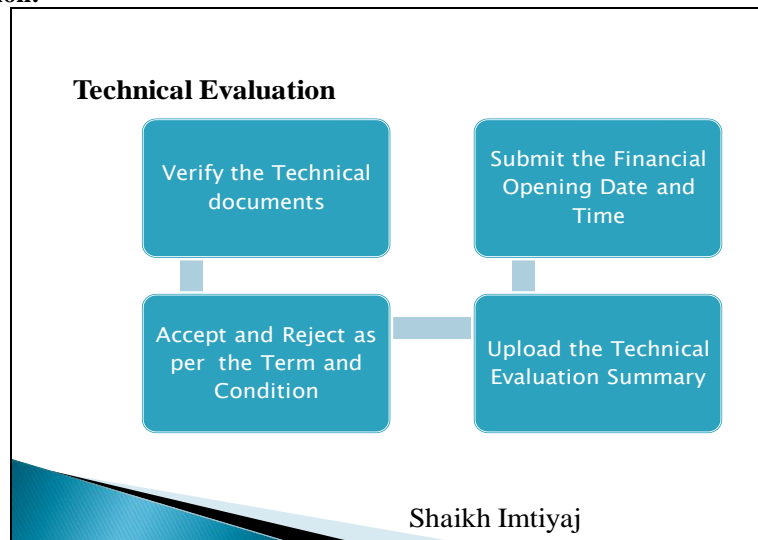
**Figure 8:** Bid Submission

**Technical Bid Opening:**



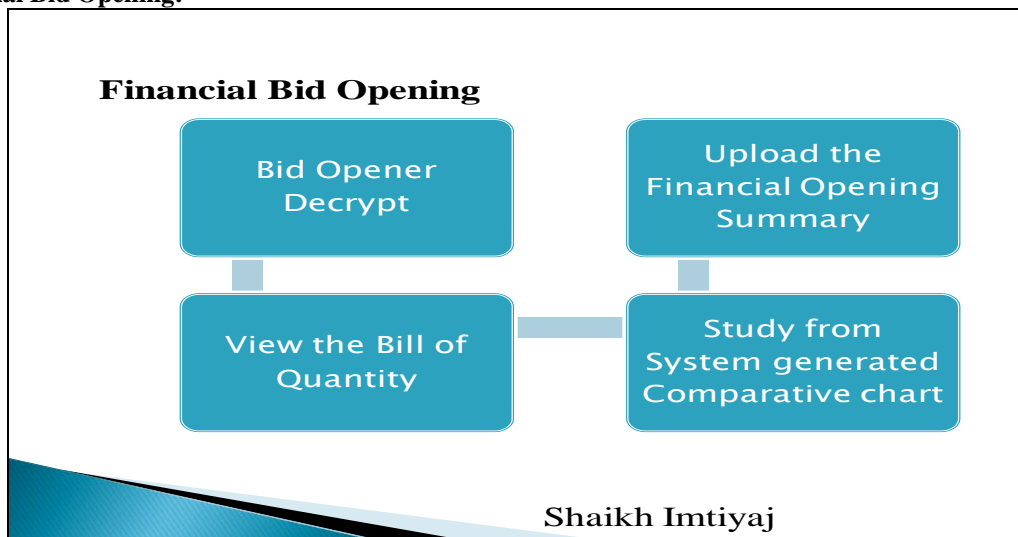
**Figure 9:** Technical Bid Opening

**Technical Evaluation:**



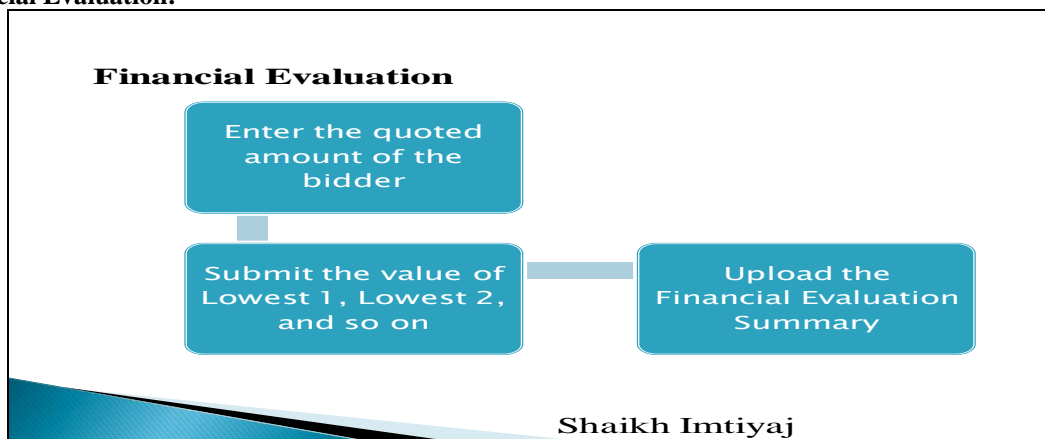
**Figure 10: Technical Evaluation**

**Financial Bid Opening:**



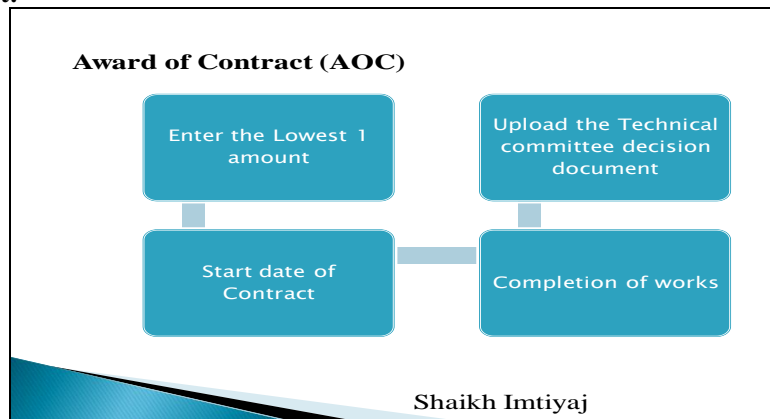
**Figure 11: Financial Bid Opening**

**Financial Evaluation:**



**Figure 12: Financial Evaluation**

**Award of Contract:**



**Figure 13:** Award of Contract (AOC)

**IV. Risk in e-Procurement**

Digital Signature Certificates (DSC) can be presented electronically to prove the identity, to access information or services on the Internet or to sign certain documents digitally. DSC provides Authorization, Authentication, Privacy, Non repudiation and Integrity. IT Act 2000 in Government of India gives legal validity to electronic transactions that are digitally signed. A DSC provides high level of security for online transactions. You can use certificates to encrypt information such that only the intended recipient can read it. You can digitally sign information to provide assurance to the recipient that it has not been altered in transit, and enable verification that you actually sent the message.



**Figure 14:** Digital Signature Certificates- Smart Card/ eToken

**Functions of DSC:**

1. Signing
2. Encryption/ Decryption

**Classes of Digital Signature Certificate (DSC):**

Depending upon requirement of assurance level and usage of DSC, the type of classes are follows:

Class-1 Certificate: provides minimum level of assurance. Intended for personal use. It does not strongly authenticate identity and is therefore not applicable for commercial use.

Class-2 Certificate: provides higher level of assurance confirming the details submitted in the DSC Request Form, including photograph and documentary proof in respect of at least one of the identification details.

Class-3 Certificate: provides highest level of assurance, as verification process is very stringent and applicant has to present himself/herself before the CA.

Validity of Digital Signatures: One year validity & two year validity. These are renewable.

**Algorithm:**

DSC is based on MD5 algorithm from Cryptography. MD5 is Message Digest algorithm, which takes as input a message of arbitrary length and produces as output a 128-bit "message digest" of the input. MD5 is more secure than MD4.

## V. Implementation

### Government of Odisha departments:-

Works Dept, Water Resources Dept, RD Dept, H & UD Dept, SC & ST Development Dept, Agriculture Dept etc.

### State PSUs:-

- i). IDCO
- ii). IIIT
- iii). OMC
- iv). Directorate of Ports and IWT
- v). Berhampur Development Authority
- vi). Odisha Police Housing and Welfare Corporation
- vii). OPTCL
- viii). Municipal Bodies
- ix). OSHB
- x). OCAC
- xi). Bhubaneswar Development Authority
- xii). Odisha Bridge and Construction Corporation Limited
- xiii). Cuttack Development Authority
- xiv). Odisha Lift irrigation and Corporation Limited
- xv). OFDC
- xvi). GWS&I
- xvii). Odisha Electricity Regulatory Commission
- xviii). Director of Physical Plants, OUAT, Bhubaneswar
- xix). OSDMA Bhubaneswar
- xx). Rourkela development Authority
- xxi). OWSSB
- xxii). OMFED
- xxiii). Director of Horticulture
- xxiv). Odisha Hydro Power Corporation Limited
- xxv). Odisha State Cashew Development Corporation Limited
- xxvi). Odisha State Civil Supplies Corporation Limited
- xxvii). Odisha State Medical Corporation Limited
- xxviii). Odisha State Tourism Development Corporation
- xxix). Paradeep Development Authority
- xxx). State Procurement Cell
- xxxi). Odisha State Agriculture Marketing Board
- xxxii). Odisha State Warehousing Corporation
- xxxiii). OPEPA Bhubaneswar

### Central Government departments:-

Dept of Posts, CRPF etc

### Central Government PSUs:-

NALCO, Paradip Port Trust etc

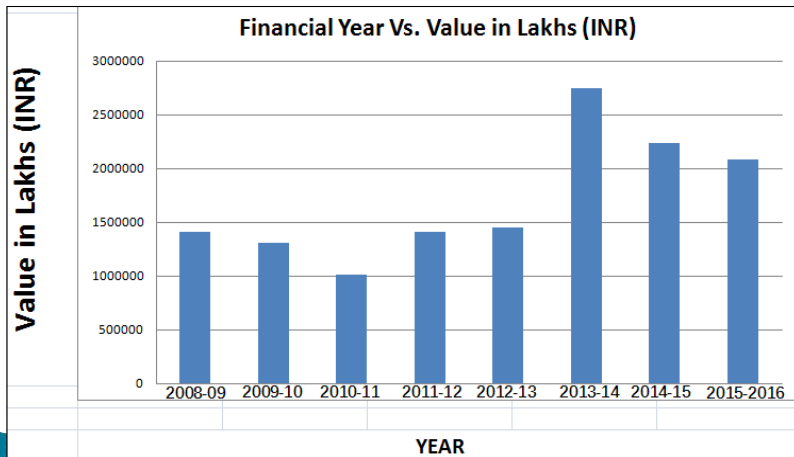
## VI. Results and Discussions

e-Procurement Trends in Odisha		
Financial Year	No. of Tenders	Value in Lakhs (INR)
2008-2009	5686	1412731.75
2009-2010	6532	1303446.96
2010-2011	13451	1013091.92
2011-2012	17319	1408271.09
2012-2013	22709	1444803.28
2013-2014	35931	2741676.67
2014-2015	27217	2238654.05
2015-2016	31074	2086378.92

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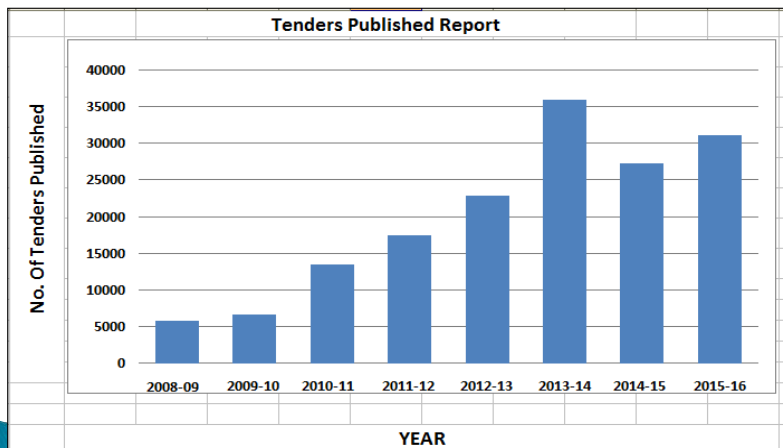


### Effectiveness

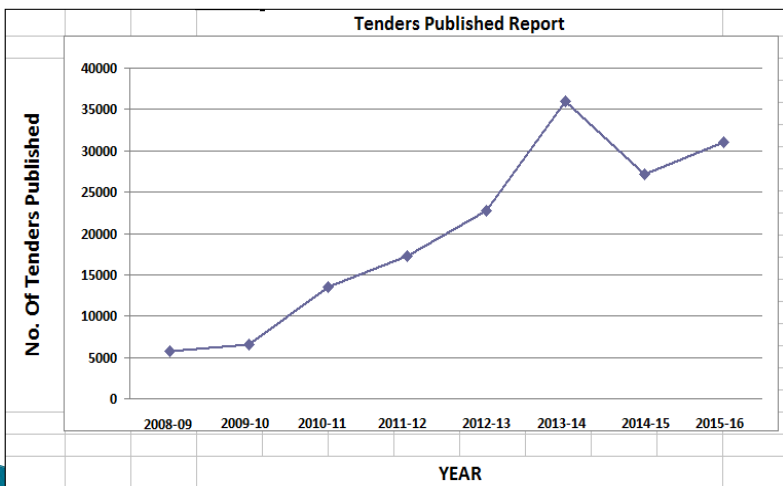


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### Competitiveness



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## **VII. Conclusion and Future Work**

In this research paper the study, design, implementation and results of an online tendering process is presented. The implementation of online tendering system is increasing day by day among different departments and PSUs for its superior level of security, transparency, strong authentication of digital signature certificate and time stamping technique. E-Procurement provides the healthy competition among bidders and real time bidding over the internet yielding cost saving to the public exchequer which reduces the tender related crimes is certainly a significant achievement on the way to a better and honest nation's development. To enhance the power of security and better implementation further research is in progress. This study focuses on different opportunities of G2B initiatives in India. The basic objective of research is to provide a model for better implementation of e-Governance application.

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