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## 1. Introduction

This manual outlines the procedure to be adopted for the purchase of various Goods and Services by the Departments/Inter-disciplinary Programmes / Centres / Central Facilities / Units / Sections, both from Institute's main account as well as from the projects funds, but excludes the purchases to be made by the Central Library (Books / Journals etc.), Health Centre (Medicines / surgical petty items etc.) and the Institute Works Department. The purchases are made following a uniform, systematic, efficient and cost effective procedure, in accordance with the relevant rules and regulations of the Government.

## 2. Fundamental Principles of Public Buying

Every authority delegated with the financial powers of procuring goods in public interest shall have the responsibility and accountability to bring efficiency, economy, and transparency in matters relating to public procurement and for fair and equitable treatment of suppliers and promotion of competition in public procurement.

The procedure to be followed in making public procurement must conform to the following yardsticks:-

- Public buying should be conducted in a transparent manner to bring competition, fairness and elimination of arbitrariness in the system. This will enable the prospective tenderers to formulate competitive tenders with confidence.
- The specifications in terms of quality, nature of items etc., as also quantity of goods to be procured, should be clearly indicated keeping in view the specific purpose/objective and needs of Lab/department/section of the institute. The specifications so worked out should meet the basic needs of the Lab/department/section without including superfluous and non-essential features, which may result in unwarranted expenditure. Care should also be taken to avoid purchasing quantities in excess of requirement to avoid inventory carrying costs.
- The tender document should clearly mention the eligibility criteria to be met by the Tenderers such as minimum level of experience, past performance, technical capability, manufacturing facilities, financial position, ownership or any legal restriction etc.
- Offers should be invited by following a fair, transparent and reasonable procedure, relevant to the objective of the purchase.
- The procuring authority should be satisfied that:
  - i. The selected offer adequately meets the requirement in all respects.
  - ii. The price of the selected offer is reasonable and consistent with the quality required.
- **Purchase should not be split to avoid obtaining approval of the appropriate competent financial authority.**
- At each stage of procurement the authorized procuring authority must place on record, in precise terms, the considerations which weighed with it while taking the procurement decision.
- Restrictions on who is qualified to tender should conform to the extent Government policies and be judiciously chosen so as not to stifle competition amongst potential Tenderers.
- The procedure for preparing and submitting the tenders; deadline for submission of tenders; date, time & place of public opening of tenders; requirement of earnest money

and performance security; parameters for determining responsiveness of tenders; evaluating and ranking of tenders and criteria for full or partial acceptance of tender and conclusion of contract should be incorporated in the tender enquiry in clear terms.

- Tenders should be evaluated in terms of the criteria already incorporated in the tender document, based on which tenders have been received. Any new condition, which was not incorporated in the tender document, should not be brought into consideration while evaluating the tenders.
- Sufficient time should be allowed to the Tenderers to prepare and submit their tenders.
- Suitable provisions should be kept in the tender document allowing the Tenderers reasonable opportunity to question the tender conditions, tendering process, and/or rejection of its tender and the settlement of disputes, if any, emanating from the resultant contract.
- It should be made clear in the tender document that Tenderers are not permitted to alter or modify their tenders after expiry of the deadline for receipt of tender till the date of validity of tenders and if they do so, their earnest money will be forfeited.
- Negotiations with the Tenderers must be severely discouraged, however, in exceptional circumstances, where price negotiations are considered unavoidable, the same may be resorted to, but only with the lowest evaluated responsive Tenderer, and that too with the approval of the competent authority, after duly recording the reasons for such action.
- The name of the successful Tenderer to whom the supply contract is awarded should be appropriately notified by the purchase section for the information of general public, including display at notice board, website for Purchases above Rs. 25.00 lacs.
- **Efficiency, Economy and Accountability:** Public procurement procedures must conform to exemplary norms of best practices to ensure efficiency, economy and accountability in the system. To achieve this objective, the following key areas should be taken care of:
  - (i) To reduce delays, each Department should prescribe appropriate time frame for each stage of procurement; delineate the responsibility of different officials involved in the purchase process and delegate, wherever necessary, appropriate purchase powers to the lower functionaries with due approval of the competent authority.
  - (ii) Each Department should ensure conclusion of contract within the original validity of the tenders. Extension of tender validity must be discouraged and resorted to only in absolutely unavoidable, exceptional circumstances with the approval of the competent authority after duly recording the reasons for such extension.
  - (iii) The Store and Purchase Section should bring into rate contract system for the common user items, which are frequently needed in bulk by various Departments. The Store and Purchase section should also ensure that the rate contracts remain available without any break.
  - (iv) The specifications of the item required must be finalized before sending the queries. Efforts should also be made to use standard specifications which are widely known.
  - (v) Enquiry to the vendors can be sent through post or Email. Oral enquiries are not permitted and hence should be avoided. All copies of letters/ emails to the Vendors should be kept in the Purchase files.
  - (vi) Informal correspondence with vendors is not permitted.
  - (vii) All the correspondence should be made by the Store Purchase Section (SPS) / Chairman of the Purchase committee.
  - (viii) In case, the item is of proprietary nature, the requisite certificate to that respect must be issued by the indenter and countersigned by the Chairman of the Purchase

Committee. The Proprietary Certificate should not be Model Number Based and also should not be issued as routine. Proprietary feature(s) should preferably be mentioned.

- (ix) In case, a specific item/ equipment is required, the reason for this should be fully justified, rather than issuing a Proprietary Certificate for a specific model/ item.
- (x) The payment and other terms should be clearly mentioned in the Purchase Order and in case of any deviation; prior approval of the competent authority should be obtained.
- (xi) Training, demonstration, etc. of the equipments which are not part of the Purchase Order, are not allowed. In case, the provision for training, demonstration, etc. is provided in the P.O., it should be ensured that no hospitality is received from the Vendor or the Agent and the charges if any for the training/demonstration, if any, must be clearly indicated in the P.O.
- (xii) No commercial discussions can be carried out by any employee(s) other than the Purchase Committee approved for this purpose.

### 3. Abbreviations and Definitions

#### 3.1 Abbreviations

AS	Accounts Section	FM	Force Majeure
ATE	Advertised Tender Enquiry	FOB	Free On Board
BOG	Board of Governors	FCA	Free Carrier
BG	Bank Guarantee	FOR	Free On Rail/ Road
BL	Bill of Lading	GFR	General Financial Rules
CD	Custom Duty	HOD	Head of Department
CIF	Cost, Insurance & Freight	IA	Internal Audit
CIP	Carriage and Insurance Paid	IR	Inspection Report
CS	Consumable Stores	INDENT	Indent as Raised
CFA	Competent Financial Authority	INCOTERMS	International Commercial Terms
DGS&D	Directorate General of Supplies & Disposals	LC	Letter of Credit
DP	Delivery Period	LD	Liquidated Damages
ED	Excise Duty	LPP	Last Purchase Price
EMD	Earnest Money Deposit	LPC	Local Purchase Committee
FC	Finance Committee	LTE	Limited Tender Enquiry
FAS	Free Alongside Ship	LTAS	Limited Time Asset Stores

NCS	Non-Consumable Stores	SPS	Stores & Purchase Section
NIQ	Notice inviting Quotations	SPO	Stores & Purchase Officer
PA	Permanent Assets	SO	Supply Order
PI	Principal Investigator	SSI	Small Scale Industries
PBG	Performance Bank Guarantee	ST	Sales Tax/ Service Tax
PPF	Purchase Proposal Form	STI	Single Tender Inquiry
PFC	Purchase Finalisation Committee	TOC	Tender Opening Committee
PO	Purchase Order	TEC	Technical Evaluation Committee
RC	Rate Contract	TFC	Tender Finalization Committee
SPC	Spot Purchase Committee	VAT	Value Added Tax

### 3.2 Definitions

#### 3.2.1 Goods & Services :

The term 'Goods & Services' includes all articles, material, commodities, livestock, general furniture / laboratory furniture, fixtures, raw material, spares, instruments, machinery, equipment, industrial plant, chemicals, solvents, gases, glassware, stationery, liveries, and any other item meant for Research & Development, both standard and non standard.

It also Includes Annual Maintenance Contracts (AMC) of goods and equipment purchased or otherwise acquired for the use of Institute, custom clearance & cargo handling & consolidation services, exporting of goods for warranty replacements/ repairs/ upgradation, Specific Scientific & Technical Services viz, Professional consultant services, Computer & Network management, Software & web design Development services, Special Storage, Communication facilities, outsourcing activities relating to Infrastructure, housekeeping, security, horticulture, empanelment of media agency including graphic designer, cartoonist, etc., but excludes publications, periodicals for library, works related to engineering services, Desk top printing (DTP), scanning, outputting, printing, binding, data entry work, packing and despatching work.

**3.2.2 Approved format:** At different places in this document, reference is made to approved formats. All such formats recommended by the committee as and when required shall be approved by the Director.

**3.2.3 Department:** In what follows, Department shall imply Department / Inter-Disciplinary Program / Center / Central Facility / Section or any entity in the Institute which has a separately allocated budget.

**3.2.4 Project:** In what follows, Project shall mean and include any sponsored research, consultancy project or any other activity which has a valid project number given by the Institute.

- 3.2.5 **Principal Investigator:** A Person of the Institute whose name is recorded as a Principal Investigator in the records pertaining to the project.
- 3.2.6 **Purchaser:** The individual who signs as purchaser or indenter in the purchase proposal form shall be referred to as a purchaser.
- 3.2.7 **Seller:** A seller refers to the company/ vendor/ dealer/ agent/ individual party from whom the institute may potentially buy goods or services.
- 3.2.8 **Temporary Advance:** It is an advance which can be taken to meet contingent expenses on NCS/ LTAS/ CS/ Miscellaneous items.
- 3.2.9 **Rate Contract:** A Rate Contract (commonly known as RC) is an agreement between the purchaser and the supplier for supply of specific goods and allied services, if any, at specified price and terms and conditions during the period covered by the Rate Contract.
- 3.2.10 **Technical Evaluation Committee (TEC):** is the committee constituted by the Competent Financial Authority for the purpose of technical evaluation of Bids. TEC will prepare the technical compliance statement.
- 3.2.11 **Purchase Finalisation Committee** is the Committee Constituted by the Competent Financial Authority for the purpose of finalisation of Purchase.
- 3.2.12 **Imprest:** It is a rolling advance which is taken to meet day to day contingent expenditure of minor nature.

**4. CLASSIFICATION OF STORES:** All stores to be procured shall be classified into the following categories:

(a) Non Consumables Stores:

- i) Permanent Assets (PA)
- ii) Limited Time Assets (LTA)

(b) Consumable Stores (CS)

**4.1 Permanent Assets (PA):** Stores satisfying any one of the following conditions shall be classified as non-consumable stores:

- Stores which are intended to be used over prolonged periods (five years or more) before becoming unusable, or obsolete,
- Stores having a disposable value,
- Stores which are sub-systems, or parts of an equipment, which can be potentially repaired and reused, and
- Stores which are either fabricated, or assembled equipment, and which if bought as a single item would have been classified Non-Consumable Stores.

All Permanent Assets have to be entered into the Assets Register of the Institute and the NCS Stock Register of the appropriate Department. Examples: plant machinery, equipment,

fabricated equipment, instruments, assembled instruments, motors, gas cylinder, workshop machines and furniture etc. (examples are indicative and not exhaustive).

#### 4.2 Limited Time Asset Stores (LTAS):

Stores satisfying any one of the following conditions shall be classified as LTAS.

- (i) Stores costing any amount and having useful life of less than five years which rapidly lose their value/relevance with the lapse of time or have very little or negligible disposal value, and/or
- (ii) Stores which can be upgraded either by replacing components/parts or which can be rendered obsolete by the release of new versions or editions.
- (iii) Stores which can be used over any period of time but costing less than Rs.10000/- excluding office furniture and fixtures.

All LTAS shall be entered into the Limited Time Asset Stores register of the Institute and in a separate Limited Time Asset Stock register in the appropriate Department.

Examples: Computers, laptops and other peripherals like computer accessories, software, printers, monitors, UPS, telephones, mobiles etc. (examples are indicative and not exhaustive)

#### 4.3 Consumable Stores (CS):

Stores satisfying any one of the following conditions shall be classified as CS:

- (i) Stores which exhaust with lapse of time,
- (ii) Stores which are rendered unusable due to normal wear and tear,
- (iii) Stores which do not have significant disposal value, and
- (iv) Spares of equipment which do not fall either in the NCS or LTAS category.

The CS shall be entered in the CS Stock register of the appropriate department. For projects, the CS shall be entered in the CS Stock register for the project.

Examples: chemicals, Glassware, plastic wares, Hardware, stationery items, printer ribbons and cartridges, External Hard drive, Pen drive, RAM, CD ROMs, chips and electronic components like resistors, capacitors, connectors, electrical components like wire, switches, plugs, bulbs, cells, tool-bits and hand tools etc. (examples are indicative and not exhaustive)

If the spares are purchased for fabricating or manufacturing any equipment, such spares are to be treated as Non Consumable items. However, if a spare is purchased for repair of an equipment, such spare be treated as CS, provided such spare do not have any replacement value.

Note: In case of any ambiguity with respect to classification of stores, the same may be resolved by the following Committee:

- i) Dean (Academic) - Chairperson
- ii) Registrar - Member

- iii) DR/AR (Stores) - Member
- iv) DR/ AR (Accounts) - Member

### 5. Financial and Sanctioning Powers

The following table gives the financial limits up to which the concerned officer has authority to approve purchases within the allocated budget of the department/project. Such an officer shall be referred to as the Competent Financial Authority (CFA). It is the responsibility of the CFA to ensure that sufficient funds are available for the purchase and proper purchase procedure has been followed:-

Nature of Delegation	Competent Financial Authority (CFA)	Powers delegated
<b>FINANCIAL</b>		
Petty purchases/ services (Cash Advances etc.). Purchase without quotation	HoD/PI/CI	Upto a ceiling of Rs. 15,000/- per item and Rs. 30,000/- at one time
	Registrar	Upto a ceiling of Rs. 15,000/- per item and Rs. 30,000/- at one time
	Dean	Upto a ceiling of Rs. 15,000/- per item and Rs. 45,000/- at one time
	Branch Officer	Each Occasion Rs. 2,500/-, Yearly Rs.20,000/- <b>For Stores</b> Each Occasion Rs. 5,000/-, Yearly Rs.30,000/-
Purchase of General Stores/ Equipments and other items (Recurring / Non Recurring) through Purchase Procedures	HoD	Up to Rs. 1,00,000/-
	Registrar	Up to Rs. 1,00,000/-
	Dean	Up to Rs. 3,00,000/-
	Branch Officer	Up to Rs. 2,500/- per item and subject to a maximum of Rs. 20,000/- <b>For Stores</b> Up to Rs. 5,000/- per item and subject to a maximum of Rs. 30,000/-
	Chairman, Library	Full Powers for Purchase of books on the recommendation of Library Committee with in Budget
	Dean	Full Powers for listed items
	Director	Full Powers for non listed items

Notes:



1. All the purchases of furniture should be done through Stores and Purchase Section after approval by the Director.
2. The above limits apply to indigenous purchases as well as imports. For the purposes of imports, the Indian Rupees equivalent of the foreign currency on the date of sanction shall be considered.
3. All temporary contingent advances shall be adjusted as per the GOI Rules or guidelines approved by the BOG from time to time.
4. The financial and sanctioning powers as given above can be revised by the BOG from time to time.
5. For the purpose of this manual, Coordinator/Acting HOD shall exercise the same financial powers as the incumbent, unless decided otherwise by the Competent Financial Authority.

## **6. Registration of Suppliers – Basic Guidelines**

### **6.1. Local Registered Firms:**

With a view to establish reliable sources for procurement of goods commonly required for use, the Stores & Purchase Section will prepare and maintain item-wise lists of eligible and qualified (i.e., capable) suppliers through registration procedure.

Local general suppliers, authorized agents/ distributors of the manufactures/ service providers and firms undertaking job works can be registered with the Institute after filling in the prescribed format. The supplier(s) will be registered for a fixed period (between 1 to 3 years) depending on the nature of the goods. They shall be also ordinarily exempted from furnishing earnest money deposit/ bid security with their tenders. Credentials, manufacturing capability, quality control systems, past performance (for the goods in question), facility for after-sales service, financial background etc. of the supplier(s) should be carefully verified before registration. Such approved suppliers will be known as “Registered Suppliers”. Departments may utilise these lists as and when required. Such registered suppliers are prima facie eligible for consideration for procurement of goods through Limited Tender Enquiry also.

At the end of the above mentioned prescribed period, the registered supplier, who is willing to continue with registration, have to apply afresh for renewal of registration as per Proforma New supplier(s) may also be considered for registration at any point of time, provided they fulfil all the required conditions.

For obtaining such registration, the firms shall be required to have Sales Tax registration and/ or Service Tax Registration, Tax Payer Identification No (TIN)/ PAN No allotted to them. The firm must maintain an office/ shop/ show room registered in its own name, in the market/ industrial area or any other suitable place and should have a bank account wherein the payments can be sent directly.

The registered firms shall be liable to be removed from the list of approved firms if they fail to abide by the terms and conditions of the registration or fail to supply the goods on time or supply sub-standard items/ goods or make any false declaration to the Institute or for any other grounds which, in the opinion of the Institute, is considered to be against public interest.

## 6.2 Outside Registered Firms

The firms hailing from outside must be manufacturer or authorized dealers/ agents/ stockists/ suppliers/ service providers of the requisite goods/ equipments/ services etc. Purchase can be made only from those reputed sellers who have sales tax registration/CST registration, VAT registration/Service Tax registration, PAN, Tax Payer Identification No (TIN) and relevant excise registration, wherever applicable. Such firms shall be required to provide a valid proof in this regard.

## 6.3 Black listing

Black-listing of firm can be done on the recommendations of the HOD/PI and with approval of the Director. The Officer–In-charge of Stores & Purchase Section shall process all such cases reported by the Department/ Centres. A committee specially constituted by the Director shall examine the cases and shall submit its recommendations to the Director for final action. The information on such firms shall be promptly and widely disseminated by Officer– In charge of Stores & Purchase Section to all concerned.

## 7. General Procedures and Rules for all Purchases/ Annual Maintenance Contracts / Rate Contracts

Purchase / up-gradation / exchange of equipments, components, office equipments, consumables, stationery, Annual Maintenance Contracts, Annual Rate Contracts for goods and services shall be affected through the following systems of purchase except where stated otherwise. This shall be applicable to all such purchases through the Plan/ Non- Plan budget heads and through funds received from sponsored/ consultancy projects.

The purchases are classified into the following three categories:

- a). Minor
- b). Medium
- c). Major

The following procedures shall apply to all purchases after taking administrative cum budgetary approval in the prescribed format/from the Competent Financial Authority.

Note: IIT Ropar plans to switch over to e-procurement in a phased manner in keeping with the GOI orders as contained in GFR.

### 7.1 Minor Purchase

#### a) Purchase of Goods without Quotations; Value up to Rs.15, 000.00

Purchase of goods upto a value of Rs.15,000.00 (Rupees Fifteen Thousand only) on each occasion can be made directly by the purchaser without inviting quotations/ bids with the approval of the Competent Financial Authority on the basis of a certificate recorded by him/her and signed in the following format. The purchaser will ensure that the prices are reasonable.

***“I am personally satisfied that the goods purchased are of the requisite quality and specifications and have been purchased from a reliable supplier at a reasonable price.”***

**Name:**

**Designation & Department:**

**b) Purchase of goods valuing above Rs.15,000.00 and up to Rs.1.00 Lac (Through Purchase Committee without Quotations)**

The purchases for a total value of more than Rs.15,000/- and up to Rs.1.00 lac can be done through a Purchase Committee (PC) consisting of three Faculty/Group A Officers. This PC will be approved by subsequent higher authority. The PC will ensure and certify the reasonability of the price.

If necessary, the buyer may draw an advance up to Rs.1.00 lac for making cash purchases while ensuring no single payment will exceed Rs.15,000/-.

If the payment to vendor is Rs.15,000/- or more, the payment must be through cheque. If recommended by the Purchase Committee, payment through cheque may be made to the supplier against Proforma invoice. The amount shall be treated as advance in the name of buyer. The buyer shall submit CS or PA / LTA form as the case may be and settle the advance immediately i.e. within fifteen days from the date of drawal of advance

**c) Purchase above Rs.1.0 Lac and up to Rs.2.00 lacs [(Through Purchase Committee with Quotation(s))]**

The composition of the Purchase Committee for the purchase of items for a total value up to Rs.2.00 lacs (excluding the freight, insurance, bank charges, custom duty etc.) shall consist of at least three faculty members/Group A officers. The Committee shall be approved by the subsequent higher authority.

The committee will survey the market to ascertain the reasonableness of rates, quality and specifications and identify the appropriate supplier and collect quotation(s). There will be no limit for minimum number of quotation(s). Before recommending placement of the purchase order, the PC will jointly record a certificate duly signed as under:

***“Certified that we the members of the purchase committee are jointly and individually satisfied that the goods recommended for purchase are of the requisite specification and quality, priced at the prevailing market rate and the supplier recommended is reliable and competent to supply the goods in question.”***

**Name  
Designation &  
Department**

**Name  
Designation &  
Department**

**Name  
Designation &  
Department**

The committee with prior approval of CFA can purchase on the spot, in case, the item is required urgently:

Note: Minor Purchases can be ordered from online stores duly ensuring the reasonability of the price.

**7.2.1 Medium Purchase above Rs.2.0 lacs and upto Rs.25.00 lacs:**

Where the sources of supply are known for purchases costing more than Rs.2.00 lacs but less than Rs.25.00 lacs purchase will be done through a purchase committee of at least 4 members with at least one representative from Accounts/Purchase and approved by the appropriate CFA. The departments can also get Standing Purchase Committee approved from the CFA for a maximum period of one year to make such purchase. The Notice Inviting Tenders (NIT) along with specifications will also be displayed on the Institute website and Central Public Procurement Portal (CPPP). Copies of NIT shall also be sent directly by speed post/courier/ email to the approved/ reputed suppliers of the requisite goods. The website address should be given in the tender notice normally 3 to 4 weeks period should be provided for opening of each tender. The number of quotations in limited tender enquiry should normally be 3 or more. However, in case lesser No. of quotations are received, the committee can recommend the purchase with justification if the PC feels that there are not many suppliers.

**7.2.2 Purchase procedure for purchases through Limited Tender Enquiry**

The following purchase procedure shall be adopted for Minor and Medium purchases

- i. The buyer to propose a Purchase Committee and get it approved by the CFA
- ii. Quotations may be invited or received either through post/courier service/ email/ Fax.
- iii. The Purchase Section must invite quotations by putting the requirement on the Institute Web site/CPP Portal for medium purchases. The minimum time to be allowed for submission of bids should be two weeks for medium purchase.
- iv. Normally, a medium purchase shall be processed on the basis of at least 3 quotations. However, the Director can relax this condition on sufficient grounds on the recommendations of the PC.
- v. The accepted quotations will be signed in ink on the original quotations and only accepted price on the comparative statement. Also a justification for the particular price choice, being the lowest quotation or on technical grounds should be recorded on the minutes.
- vi. The Purchase Section shall obtain the financial sanction after getting the proposal pre-audited from the Audit Section.
- vii. The Purchase Section shall then place the order.
- viii. Submission of CS or PA / LTA form as the case may be to make asset entry/release the payment soon after the receipt of material or successful installation of the equipment as the case may be or within fifteen working days failing which assets entry will be made in the name of the buyer/ indenter in absence of a proper justification.
- ix. Quotations shall be invited by the Stores & Purchase Section as per the prescribed procedures. Indenter/Purchaser will send approved indent, with detailed specifications for inviting quotations to Store & Purchase Section for both the purchases (Institute and Projects). The enquiry letters should be sent to maximum vendors (almost all available vendors) to have competitive rates. Quotations can be called and received by hand/ by registered post/speed post/courier service in sealed cover. Typically, the NIQ should be invited with the following details:

- (a) The name and specifications of the item(s)
- (b) Quantity to be purchased,
- (c) The date, time and place for the submission of the quotations,
- (d) The date and time when the quotation(s) will be opened,
- (e) The date by which delivery of the items is expected,
- (f) Warranty requirements,
- (g) Requirement of test certificate, if any,
- (h) Statutory requirements with respect to pollution, emission, noise, etc.
- (i) Training, technical support, after sales service and annual maintenance contract requirements, if any.
- (j) Period of validity of quotation,
- (k) Special requirements of packing and marking, if any,
- (l) Normal payment terms of the institute,
- (m) Tax exemptions applicable,
- (n) Installation and commissioning of machinery/ equipment will be done free of cost by the vendor and it will be his responsibility for the complete running of machinery/equipment on its receipt in the institute.
- (o) It should be clearly mentioned that material/ equipment will be supplied CIP New Delhi airport or FOR IIT Ropar.
- (p) It should include liquidated damages clause in case of delay in supply.
- (q) Any other special terms & conditions which are applicable. An approved format available for this shall be used.

### 7.3 Major Purchase above Rs. 25.00 Lacs

Any purchase above Rs. 25.00 Lacs shall be through Purchase Finalization Committee (PFC).

The composition of the PFC is as under:

- a. Chairperson (To be approved by CFA)
- b. Buyer (concerned faculty/PI/Official)
- c. Two experts to be proposed by the buyer and approved by the CFA  
Note: for purchase above Rs. 1.00 crore one of the experts should preferably be external.
- d. DR / AR (Accounts)/Nominee
- e. DR / AR (Stores)/ Nominee

A Technical Evaluation Committee (TEC), Sub Committee of PFC shall be constituted for technical evaluation of bids. The composition of TEC shall be:

- i) Chairperson (same as in PFC)
- ii) Buyer (Concerned faculty/PI/Official)
- iii) Two experts (same as in PFC)

#### 7.3.1 Purchase Procedure for Major Purchases

The following purchase procedure shall be adopted:

- (i) The buyer to propose a Purchase Finalization Committee (PFC).
- (ii) Chairman will be nominated by the CFA.
- (iii) On approval, the Buyer will call the first meeting of the TEC in consultation with the Chairperson. In this meeting, the TEC shall discuss and finalize the specifications of item(s) and any other technical point considered relevant.
- (iv) The buyer shall submit the indent to the Purchase Section with the detailed technical specifications finalised by the TEC.
- (v) The Purchase Section must invite quotations by putting the requirement on the Institute web site, Central Public Procurement Portal (CPPP) along with one national daily having wide circulation. The minimum time to be allowed for submission of bids should be three weeks.
- (vi) The bids should be invited under two bid system.
- (vii) The TEC shall open and examine the technical bids only. If required, they may invite the bidders for clarifications on the technical aspects only.
- (viii) Financial bids only of those vendors shall be opened by the PFC who have been recommended by TEC on technical grounds.
- (ix) The financial bids shall be opened in the presence of at least two members of PFC.
- (x) All the quotations will be signed and amount circled by the officials present at the time of opening.
- (xi) A comparative statement shall be prepared by the Purchase Section and the same along with the quotations will be submitted to the PFC for necessary recommendations.
- (xii) The PFC will finalize and recommend the purchase after deliberations.
- (xiii) The PFC may negotiate with the vendor (L1: lowest bidder), if felt necessary with prior approval of the CFA.
- (xiv) The Purchase Section will prepare the Sanction Sheet for the recommended items and send to Audit Section for Pre-Audit.
- (xv) The Audit shall pre-audit the Sanction Sheet and certify the availability of funds in the budget head. Thereafter, approval for the purchase shall be obtained by the Purchase Section from the CFA and the Purchase Order (PO) duly stamped “checked” shall be sent to the vendor.
- (xvi) SPS must obtain the consent of the vendor to supply the material within the stipulated time. In case, the vendor fails to give the consent or supply the material within stipulated time, the PFC may negotiate with the second lowest bidder to supply the material as per the offer of the lowest bidder.

**Note:** i) The main emphasis of the PFC will be on the time saving and therefore, it is left to the Committee to organize its proceedings once constituted.

ii) The PFC must complete the purchase process within the original valid period of PFC (i.e. 4 months).

iii) Extension of validity of PFC will be given only in exceptional cases.

iv) Buyer should ensure availability of proper space/infrastructure for installation of the equipment.

v) Bid document be prepared/floated (duly vetted by the Audit, if required).

### 7.3.2 Advertised Tender Enquiry

All purchases valuing Rs.25.00 lacs and above, will be done through an advertised tender enquiry. Such purchases will be handled by the Store and Purchase Section. The notice inviting tenders / quotations along with specifications will be displayed on the Institute website, Central Public Procurement Portal (CPPP). The website address should be given in the tender notice. Normally 04 weeks period should be provided for opening of each tender. Advertisement should be given in at least one National daily having wide circulation. For such purchases, Purchase Committee consisting of indenter/purchaser, Head of the department concerned or his nominee, one or two external experts, one representative from the Accounts and Purchase section as approved by the appropriate CFA shall recommend the purchase.

The Tender Notice should contain

- a) Description and specifications of the goods and quantity.
- b) Period and terms of delivery.
- c) Cost of the tender/bidding document (Tender Fee).
- d) Place and deadline for receipt of tenders.
- e) Place, time & date for opening of tenders.
- f) Amount of Bid Security / Earnest Money Deposit and Performance Security.
- g) Validity of offer- Period for which the rates quoted should be valid.
- h) The consequences of non acceptable of order within specified period like forfeiture of EMD, and disqualification for future quotations etc.
- i) Any other important information.

## 8. Modes of Tenders

Tenders can be invited in Single Bid or Two Bid System as per the details given below:

### 8.1 Single Bid System:

This mode of enquiry can be used where the nature of item to be procured is not technical in nature and the item is a standardised one, value of the item is not much, and no eligibility condition is required to be met by the vendors. In this case, the vendors will be directly quoting the rates with complete specifications.

### 8.2 Two Bid system:

For purchasing capital equipment, high value plant, machinery etc. of complex and technical nature, bids may be invited in two parts. Tender enquiry document, complete in all respects, may be issued. However, the tenderers should be asked to bifurcate their quotation in two parts as under:

- a) First Part- Technical Bid consisting of Tender fee, Earnest Money Deposit and all technical details along with commercial terms and conditions as required in the tender enquiry documents.
- b) Second Part- Financial Bid indicating item wise price of the items mentioned in the Technical Bid.

Note: Financial bids should be obtained in the prescribed format only provided to the bidders as part of the tender document.

The technical bid and the financial bid should be sealed by the bidder in separate envelopes duly superscribed and both these sealed envelopes are to be put in a bigger cover which should also be sealed and superscribed. The technical bids are to be opened in the first instance, at the prescribed date and time. The same will be scrutinized and evaluated by the Technical Evaluation Committee (TEC) with reference to the parameters prescribed in the tender documents and the offer(s) received from the Tenderers. Technical comparative charts shall be prepared by the concerned indenter(s)/ purchaser(s). Thereafter, in the second stage, the financial bids of only technically qualified parties (as decided in the first stage above) are to be opened for further scrutiny, evaluation, ranking and placement/ award of order/ contract. Tenders without Tender fee / EMD shall not be opened.

### 8.3 Single Tender Enquiry: Purchase of goods on single quotation basis

Procurement of goods on single quotation basis can be followed in the following circumstances:

- (i) It is in the knowledge of the user department/Centre/School that only a particular firm is the manufacturer of the required goods or proprietary item.
- (ii) In case of emergency, the required goods are necessarily to be purchased from a particular source. The reasons for such decisions to be recorded and prior approval of the competent authority be obtained before effecting the purchase.



- (iii) In case, the purchaser recommends the purchase from a specific vendor on the basis of his/her experience/usage and requirement for a specific research purpose that cannot be made with alternate make/model of the equipment.
- (iv) For standardization of machinery or spare parts to be compatible with the existing sets of equipment, the required item is to be purchased only from a selected firm.
- (v) The indenter should provide a certificate that the price quoted by the firm is reasonable and the same is a proprietary item.

Purchase of items of a proprietary nature (i.e. item which do not have substitutes, or are spare parts of existing equipment for which substitute replacements are not available) can be done on the basis of a single quotation irrespective of the value of the item. In such cases, the purchaser must furnish a proprietary certificate (**as placed at Annexure-I**) countersigned by the Head of the concerned or associated department/centre/school. If the total value of the item is more than Rs. 1.00 lac, a proprietary certificate must be obtained from the supplier stating that they are the only source of supply /manufacture.

#### **8.4 Repeat Orders :**

In exceptional circumstances where the requirement of the purchaser is the same as to the specifications and quantity etc. of an already issued P.O., with the prior permission of the CFA, purchase can be processed on repeat order basis subject to the following conditions:

- (i) Proper purchase procedure (Invitation of quotations by limited/Advertised tender enquiry) has been followed for the original order.
- (ii) There cannot be more than two repeat orders.
- (iii) The repeat order can be made without any change in the rates, specifications, quantity as well as terms & conditions of supply in each case. The quantities of the repeat orders can be lesser but in no case it can exceed the original order.
- (iv) The repeat order can be placed within 180 days from the date of the issue of original order only after ensuring from the vendor that there is no reduction in the price of the item(s) and the vendor is ready to supply the material without any increase in the rates.
- (v) No repeat order will be placed if buy-back is involved in the purchase.
- (vi) Efforts to be made to obtained rebate (quantity discount) from the supplier on the previously ordered prices.

#### **8.5 Purchase of Goods on Rate Contract**

##### **8.5.1 Rate Contract with Institute**

A Rate Contract (commonly known as RC) is an agreement between the purchaser and the suppliers for supply of specific goods and allied services, if any, at specified price and terms and conditions during the period covered by the Rate Contract. Rate contracts with the registered suppliers, for goods and items of standard types which are identified as common user items and are needed on recurring basis by various Departments/Centre/Schools will be entered by SPS. The discounts, delivery period and other terms & conditions shall be negotiated by a committee constituted by the Director. The recommendations of the committee shall be approved by the Director before they are formally adopted. The period of

validity of the Rate contract shall be counted from the date, the rate contract is formally adopted. The process for entering into rate contract arrangements shall be initiated by SPS.

### 8.5.2 DGS&D Rate Contracts

Director General Supplies and Disposals (DGS&D), New Delhi, conclude the rate contracts of various items of standard types which are identified as common user items and needed on recurring basis by various Central Government offices/ Departments.

Any item of any value can be purchased on the basis of DGS& D rate contracts directly from the manufacturers/ their authorised dealers/ agents. DGS&D Rate contract will not be a binding as long as other purchase process is followed.

In case of items for which DGS&D Rate Contract exist, the SPO will procure these items by placing direct orders on the firms as per recommendations of the indenter.

### 8.5.3 Purchase under buy back scheme

When it is decided with the approval of the CFA to replace an existing old item with a new and better version, the institute may trade the existing old item while purchasing the new one. For this purpose, a suitable clause is to be incorporated in the bidding document so that prospective and interested bidders formulate their bids accordingly. Depending upon the value and condition of the old item to be traded, the time as well as the mode of handing over the old item to the successful bidder should be decided and relevant details in this regard suitably incorporated in the bidding document. Further, a suitable provision should also be kept in the bidding document to enable the purchaser either to trade or not to trade the old item while purchasing the new one. If any item is purchased under buy back scheme for old one, quotations are to be invited clearly mentioning the specifications of old and new item asking for the buyback offer from the vendor. A condemnation report is to be filled up in GFR-17 form (**Annexure-II**) for old item, signed by all members of condemnation / write-off committee, approved by the Director and finally to be sent to SPS along with purchase indent.

### 8.5.4 Upgradation:

In case of Upgradation of assets, the old asset which has been upgraded will be treated as written-off i.e., its value will be written-off from the records. The upgraded new asset will be entered in the records and the sum of cost of old asset and the additional cost paid, will be considered as cost of the upgraded asset.

## 9. Tender Fee, Earnest Money Deposit and Performance Bank Guarantee

### 9.1 Tender Fee (applicable in case of Press Tender only)

For purchases with estimated value >Rs.25.00 lacs but < Rs. 50.00 lacs Rs.500/-

For purchases with estimated value >Rs.50.00 lacs but < Rs. 100.00 lacs Rs.1000/-

For purchases with estimated value Rs.100.00 lacs and above Rs.2000/-

## 9.2 Earnest Money Deposit (EMD)

For purchases with estimated value upto Rs.5.00 lacs - No EMD

For purchases with estimated value >Rs.5.00 lacs - 2 to 5% of the estimated cost  
Shape of EMD: EMD should be submitted in form of DD, TDR or BG.

## 9.3 Performance Bank Guarantee (PBG) to be submitted by the successful bidder(s)

For purchase of equipment upto Rs.10.00 lacs - No PBG

For Purchase of more than Rs.10.00 lacs -10% of the ordered value

## 10. Late Bids

10.1 Any bid received after the deadline, prescribed by the institute for submission of bids, will be rejected.

10.2 Such tenders shall be marked as late and not considered for further evaluation. They shall not be opened at all and be returned to the bidders in their original envelope without opening. A photocopy of the envelope must be kept in record.

## 11. Withdrawal, substitution and modification of Bids

11.1 A Bidder may withdraw, substitute, or modify its bid after it has been submitted by sending a written notice duly signed by an authorized representative. The corresponding substitution or modification of the bid must accompany the respective written notice. All notices must be: clearly marked with Tender Notice no. \_\_\_ "WITHDRAWAL," "SUBSTITUTION," or "MODIFICATION;" and received by the institute in sealed envelope prior to the deadline prescribed for submission of bids.

## 12. Receipt of Tenders

12.1 Tenders are received either through post or courier or by hand.

12.2 The tenders shall be dropped in the tender box, which shall remain locked, and its keys with the Chairperson, Tender opening committee.

12.3 If a tender received in a cover without any superscription about its contents, is opened by any official receiving it, he /she shall himself mark on the cover the tender number, the date of its receipt, the date of its opening, shall sign it and cause it to be delivered to the Purchase Officer before the opening date.

## 13. Postponement of the tender opening date

Requests for the postponement of tender opening date shall not normally be entertained. In rare cases however, if the response to a tender notice is poor, a decision to postpone the opening date of the tender by a minimum of 15 days may be taken by the competent authority. The extension so granted may be intimated to all the concerned so that adequate response is received.

In case, where the response to limited tender enquiry is poor (if the response is only from one or two bidders, it is considered poor), and the purchaser/ indenter feels that one more

attempt should be made, in that case, the offer(s) received should not be opened and Advertised tender enquiry / Limited Tender method can be resorted to as per decision of the Competent Authority. The bidders who responded to the limited tender enquiry must also be informed that their tenders shall also be considered along with the tenders received through Advertised Tender/ Limited Tender Method enquiry. If a decision is taken to change the specification to make it broad-based, the bidders who had responded to limited tender enquiry shall be asked to bid again as per the revised specifications. Any exception to this should have the approval of the Director or the competent authority.

#### **14. Opening of Tenders**

14.1 Quotations must be opened by the Tender Opening Committee (TOC) in the presence of the bidders whosoever may wish to be present. All quotations must be signed with date by all members of the Tender Opening Committee. Signatures of the TOC are necessary on the covering envelope, financial part of the bid and the part which contains the terms and conditions.

14.2 There shall be a standing TOC comprising of SPO/ his nominee, Nominee of DR/ AR Accounts, Indenter/his nominee (any faculty member) for opening of quotations of all the purchases. TOC shall meet twice a week.

14.3 In case of Withdrawal / Substitution / Modification, first, envelope marked "WITHDRAWAL" shall be opened and read out and the envelope with the corresponding bid shall not be opened, but returned to the Bidder. No bid withdrawal shall be permitted unless the corresponding withdrawal notice contains a valid authorization to request the withdrawal and is read out at bid opening. Next, envelopes marked "SUBSTITUTION" shall be opened and read out and exchanged with the corresponding bid being substituted, and the substituted bid shall not be opened, but returned to the Bidder. No bid substitution shall be permitted unless the corresponding substitution notice contains a valid authorization to request the substitution and is read out at bid opening. Envelopes marked "MODIFICATION" shall be opened and read out with the corresponding bid. No bid modification shall be permitted unless the corresponding modification notice contains a valid authorization to request the modification and is read out at bid opening. Only envelopes that are opened and read out at bid opening shall be considered further. The bidders' names, bid modifications or withdrawals, bid prices, discounts, and the presence or absence of requisite bid security and such other details will be announced at the opening. No bid shall be rejected at bid opening, except for late bid(s). The contents of the bid forms and price schedules would however be announced.

14.4 The SPS shall use approved formats for the opening of quotations and take attendance of the members of the TOC and the representatives of the bidders present there. The bidders' representatives who are present shall sign the quotation opening sheet evidencing their attendance. In the event of the specified date of bid opening being declared a holiday, the bids shall be opened at the appointed time and location on the next working day.

Separate notice for opening of the commercial bids need to be sent to the bidders well in time. Opening of the tenders without informing the bidders is strictly prohibited.

The officer opening the tenders shall read out the following particulars for the information of the representatives attending the tender opening.

- Name of the firm
- Description of the quoted model(s)
- Price
- Whether the price is inclusive of taxes & duties or exclusive
- Discount offered.
- Delivery schedule.
- Any other extra charges quoted for packing, transport etc.
- Terms of delivery
- Warranty obligations.

All the pages of the tender bids have to be initialled by the TOC. Alterations/ corrections in the tender bids should be initialled by the officers opening the tender. A similar procedure shall be followed wherever any erasing/ cutting is observed.

Any correction in the price quoted in the tender both in the words and figures shall be circled in red ink by the representative of finance and signed. The members of the TOC shall endorse this. If there is any discrepancy between the price quoted in figures and words, whichever is the higher of the two shall be taken as the bid price.

### **15. Evaluation of the Tenders**

Evaluation criteria should be clearly mentioned in the tender document/NIQ. A neat comparative statement of the tenders opened shall be made by the Purchase Section. It shall contain details like rate, delivery schedule, make, taxes etc. and finally the total quoted price. The final landing cost of Purchase after all discounts, taxes and transportation charges etc. must be mentioned on the comparative statement for indigenous items and Ex-works, FOB, CIF price for imported items. The comparative statement shall be without any cuttings and erasers and shall neatly give the quoted price both in figures and words. When bids are received in different currencies, the comparative statement shall clearly give the exchange rate on the date of opening of the bid and the quoted price in rupees.

Evaluation of tenders must be done in a logical manner. It is not always necessary that the lowest quoted price shall finally emerge as the lowest evaluated price. The evaluation of tenders is a serious exercise which should not be done mechanically: Extraneous considerations, that is, the considerations that were not mentioned in the technical bid, shall not be a cause for rejecting a tender as non responsive.

If the bidder has quoted certain optional items, these items should not be taken into consideration for the evaluation of the financial bid.

A tender shall not be rejected simply because certain details which do not have any impact on the price quoted are missing. In such case a quick reference can be made by the committee, to the concerned bidder for proper evaluation of the tender.

The evaluation report shall clearly bring out (but not limited to the following):

- The technical acceptability of the offer
- The reasonability of the price quoted
- The delivery period offered.
- Warranty obligations

- Annual maintenance after the warranty period
- Discount offered.
- Any additional item offered.
- Training
- Installation and commissioning

No tender shall be technically rejected on the basis of unsatisfactory service during earlier purchases without any documentary proof.

### **15.1 Separate evaluation of technical and financial bids**

All scientific equipments of high value or as recommended by the indenter shall be purchased by adopting two-bid system either through open tender or through limited tender. In this system the bidders are asked to send their technical bid with tender fee & EMD and financial bids in two separate sealed envelopes. The technical bids are opened first and analysed for acceptability by a separate technical Committee. At this stage, the Tenderers could also be called for Technical discussion.

The price bids of those bidders who are found technically acceptable shall be opened and evaluated.

It must be normally ensured that at least two or more bidders become technically suitable in all such cases unless there are compelling technical reasons to decide otherwise. In such circumstances the technical committee should give detailed reasons as to why such a choice is being made.

### **16. Confidentiality**

Information relating to the examination, evaluation, comparison and recommendation to award the Purchase Order (PO), should not be disclosed to the bidders or any other person(s) not officially concerned with such purchase at any stage.

### **17. Disqualification of bidders**

Any effort by a bidder to influence the purchaser in the examination, evaluation, comparison of the bids or in decision making may result in disqualification of bid.

### **18. Preliminary Examination**

18.1 The Purchase Section and purchaser shall examine the bids to confirm that all documents and technical documentation requested in tender document have been provided and also to determine the completeness of each document submitted.

18.2 The Purchase Section shall confirm that the following documents and information have been provided in the Bid. If any of these documents or information is missing, the offer shall be rejected.

- (a) Bid Form and Price Schedule, in accordance with Tender Document

(b) All the tenders received will first be scrutinized to see whether the tenders meet the basic requirements as incorporated in the tender enquiry document. Tenders not meeting the basic requirements are to be treated as unresponsive and hence rejected. Some of the important points are as follows, for which a tender may be declared as unresponsive and to be rejected during the initial scrutiny:

- Bid is unsigned.
- Bid's validity is shorter than the required period.
- Bidder has quoted for goods manufactured by a different firm without the required authority letter from the proposed manufacturer.
- Bidder has not agreed to give the required performance security.
- Goods quoted are not meeting the required specification etc.
- Bids are against the schedule of requirement (incorporated in the tender enquiry), the tenderer has not quoted for the entire requirement as specified in that schedule.
- Tenderer has not agreed on some essential condition(s) incorporated in the tender enquiry.
- Conditional Tenders will be rejected.

## **19. Comparative Statement and recommendations for purchase**

19.1 The Stores & Purchase Section after opening the quotations shall make comparative statement and send to the concerned indenter/ purchaser of Institute for making recommendations to place the order. If required, the SPS can take the help from the purchaser/ indenter for the preparation of the comparative statement. Technical Compliance statement shall be prepared by the purchaser/indenter(s).

19.2 In all purchases with multiple quotations, the report of the purchaser/purchase committee should include the following:

- a) A comparative statement of all dealers/ sellers indicating all taxes, freight, forwarding etc (i.e. the total cost of the purchase).
- b) The party from whom the purchase is recommended.
- c) If the purchase is not recommended on the basis of lowest quotation, the reason(s) thereof shall be explicitly stated.
- d) Any other relevant information. The report complete in all respects along with associated documents shall be sent to the SPS.

## **20. Pre-audit of Purchase Proposals**

All the purchases exceeding Rs. 2.00 Lakhs (Rupees Two Lakh only) must be pre-audited by the Internal Audit Section. This will be applicable for direct purchases as well as purchase through the SPS. For purchases valuing upto Rs 2.00 Lacs, audit will be done by the Audit section randomly.

## 21. Negotiations

Normally, negotiations should not be done with the bidders. However, if the purchaser feels that the quoted price can be reduced further, he can recommend negotiation with the lowest bidder only and do the negotiation with prior approval of the CFA.

## 22. Purchase sanction and receipt of items

The sanction sheet for all purchases except those in serial no 7.1 (a) must be approved by the CFA. These sanction sheets shall be prepared by the SPS. The sanction sheet thus prepared along with all associated documents shall be sent for pre-audit prior to approval by the CFA. Based on the approved sanction sheet, the purchase order shall be prepared by SPS.

If for any reason, a financial change in the purchase order is required, the request for such a change shall be thoroughly examined by IA and shall be approved by the CFA before the change is issued in the form of an amendment to the original purchase order by the SPO.

### 23.1 Placement of order

- i. For all purchase exceeding Rs.10.00 lacs, once the purchase proposal is approved by the competent authority, the purchase order will be sent to the auditor for scrutiny and vetting. Later, the same will be forwarded to the accounts section for noting the commitment / availability of fund / validity period of the project to reserve the fund towards purchase of the particular item(s). The purchase order can then be released to the vendor. It shall contain the make and model of the item with description, rate, quantity ordered, amount and terms & conditions like delivery schedule, place of delivery, payment terms, taxes & duties, any other charges like packing, forwarding, transportation, insurance etc., discounts offered by the firm, warranty period, training (if any), commissioning and installation of equipment etc. The order shall also contain the inspection procedures to be followed for inspecting the ordered goods for acceptance and the probable time needed for inspection. Orders shall be e-mailed & dispatched to the vendors with an instruction that the vendor has to send an acknowledgement duly signed by email or post within 15 days from the date of issue of order as a token of the acceptance of the order.
- ii. In case, the order confirmation is not received within fifteen days, it shall be presumed that the vendor has not accepted the order and further action has to be initiated as per the conditions given in the NIQ. The copies of orders shall be sent to stores, indenting departments/ Centre/School and Finance Department.
- iii. All purchases, except those listed above at serial no 7.1.a & 7.1.b, shall be made through a purchase order placed on the seller by the SPO of the institute, who shall be responsible for receipt of goods and the subsequent delivery of the goods to the purchaser along with copies of IR. The purchaser shall return the IRs within 15 days after recording appropriate comments.
- iv. Inspection Reports (I.R.) must be returned to Store Purchase Section duly approved or rejected within fifteen days, otherwise it will be presumed that material supplied is acceptable to the purchaser and necessary action will be taken for making the payment to the firm.



- v. The SPS shall be responsible for clearance of all consignments at railway stations, sea, airport, transport godowns and safe transportation and storage. Insurance of items shall be done before dispatch either by the seller or SPS
- vi. Normally, the delivery of items purchased shall be done at the Central Stores. However, in exceptional situations, the suppliers may deliver the items directly to the purchaser in which case the purchaser shall be responsible to inform the SPO about such delivery within three days of receipt of such items.
- vii. Once the purchase has materialized satisfactorily, the items must be entered in the appropriate stock register of the department/ project and in the Asset Register of the Institute, where ever relevant.
- viii. Any increase in the price of item(s) ordered which is directly and entirely attributable to fresh imposition or increase in Government levies and taxes may be allowed subject to furnishing of sufficient valid written proof by the supplier.
- ix. The Director may at his discretion permit deviations from any of the above provision if he is satisfied that these deviations are in the interest of the institute and that the insistence on the above provisions can cause inconvenience and delay.
- x. All purchases/Rate Contract Arrangements will be audited by the Internal Audit Section (IA) of the institute except in the following circumstances.
  - Individual purchases done as per an existing Rate Contract arrangement.
  - A repeat order.
  - All purchases covered under DGS&D Rate contracts.

### 23.2 Follow up of orders

Once the order has been placed, it is the duty of the SPS and the Purchaser to ensure that the vendor supplies the material in time. SPS/ Purchaser shall continuously be in touch with the vendor and in the event, the material is not received in time; the vendor shall immediately be contacted to ensure that the material is received as quickly as possible.

SPS shall also keep a list of vendors who are habitual defaulters or supply sub-standard material. A prompt action should be taken to blacklist such vendors.

### 24. Receipt of materials

The receipt of all ordered material have to be made by the departments/ Centres/School/Stores section and a report of such receipts must be sent to the SPS. Similarly, the information like clearance from Air/ Sea port/ transporter etc. has to be intimated to the user depts.

Stores should maintain a Stores Receipt Advice (SRA) which should include all relevant information about the receipt of materials be sent to the (User Group) indenting department and the Purchase immediately and a copy of the same can be retained in the stores.

### 25. Inspection of the materials

The indenter shall inspect the materials as soon as it arrives and shall normally adhere to the schedule given by him at the time of placing the indent. Normally, the concerned indenting department should ensure completion of inspection within 15 days. For imported equipments, the packing may be opened in the presence of the Indian agent to avoid short/ damaged supply due to improper packing. In any case, the inspection shall be completed

within the validity period of the insurance policy so that the claims for shortage/ damage, if any, can be lodged with the insurance company within 48 hours. Failure to inspect the material within the time schedule shall make the Indenter responsible for the loss. Once the inspection is complete and the indenter certifies the inspection report and ensures that the same is sent to Purchase within 3 working days after the inspection is over. A copy may be sent to accounts within 7 working days for payment and then the accounts must arrange payment to the vendor within 7 working days from the date of receipt of bill. If for any reason, the payment is held up beyond the period stipulated, the matter shall be brought to the notice of the concerned Indenter.

## **26. Payment Terms**

26.1 The payment terms shall be as approved by the CFA in the sanction sheet. However, normal payment terms for indigenous purchases shall be 90% within 30 days of delivery of the items and the remaining 10% after satisfactory installation/ inspection. Terms of payments may be changed from item to item basis; for example, fabricated equipment, stationery and furniture etc. For such items, the payment may be made 100% against delivery subject to the inspection and approval by the competent authority.

26.2 Payment terms against dispatch documents through bank are not allowed as far as possible keeping in view the risk involved. However, this may be allowed for Government Firms.

26.3 In the case of indigenous supplier, any advance payment to the seller (i.e., private firm) shall normally be made only against a bank guarantee of the requisite amount. Any deviation from this or advance payment shall be specifically approved by the Director.

26.4 If the payment term is against delivery/ COD (cash on delivery) then after receiving the goods, indenter shall inform SPS to release the payment after being satisfied.

26.5 For balance payment, after receipt of satisfactory IR, the items must be entered in appropriate stock register. The SPS will submit the necessary document within one week to AS for release of payment. The AS will ensure that the payment due is released within 7 working days through cheque/draft/electronic transfer directly to the seller.

26.6 Payments against foreign procurements shall be decided on case to case basis as per the recommendations of the indenter/purchaser keeping in view the requirements. Payments equivalent \$10,000/- can be made by wire transfer/ foreign Draft. Payment exceeding \$10000/- shall be made through LC / Sight Draft.

26.7 A copy of the payment transfer must be sent to Store Purchase Section for information and placing in the concerned file.

## **27. Liquidated Damages (Late Delivery)**

There should be a suitable provision in the terms & conditions of the contract for claiming liquidated damages of appropriate amount from the supplier to take care of delays in supplies and performance, for which the supplier is responsible. Such recovery through liquidated damages should be without prejudice to the other remedies to the purchaser under the terms of the contract.

A penalty clause for a penalty of 1% of the delivered price of the delayed goods for each week or part thereof subject to a maximum of 10% of the ordered value is to be incorporated in the contract terms. If the payment term is 100% against delivery and if there is delay in supplying the material then a cheque of penalty amount must be taken from the seller in favour of the Registrar, IIT Ropar.

However, Director can extend the delivery period if he/she is satisfied that the reasons for delay in supply of material intimated by the supplier are genuine/ justified.

## **28. Duties & Taxes**

Any concession on taxes and levies such as excise duty, custom duty and sales tax granted by the state/central Government in procurement of any item must be availed. The SPO shall obtain all such information and apprise all concerned about the applicability of tax/levy rates and charges brought about, if any, from time to time. The SPO shall issue the required declaration/certificate to this effect for all purchases on demand and account for all such issues and furnish the required report to the Government Agencies, as and when required.

Presently, the applicable concessional custom duty for educational Institute is 5.15% which is payable for imported items. In case, the order is on Ex-works or FOB basis, the Institute may be required to pay freight / insurance charges as per prevailing rate. As per the prevailing taxation policy of the Government, VAT/CST shall be payable for all indigenous items. The service tax shall be applicable for service and for Annual Maintenance Contract (AMC). The institute is partially exempted from paying custom/excise duty for all imported and indigenous items, for which an custom / excise duty exemption certificate shall have to be provided by the institute. Whenever any item is purchased through high sea sale agreement, the concessional custom duty certificate will be issued to the supplier and the amount of custom duty paid by the supplier will be reimbursed by the Institute.

## **29. Purchases through Imports**

Generally, the procedure outlined above shall be followed for procurement of items through import. However, the following additional points may also be kept in view while making any purchase through imports:

29.1 Any category of stores can be purchased from foreign suppliers subject to restrictions on imports as imposed by the Government of India from time to time.

29.2 Import should normally be made directly from the foreign principal manufacturers. In the event, a purchase is made through an Indian agent of the foreign company, proof that the Indian agent is an authorized agent of the foreign company must be obtained and must be a part of the documents pertaining to the purchase. Any agency commission payable to the Indian agent can be paid only in Indian Rupees after the successful installation of the equipment.

29.3 SPO shall ensure that the item being imported does not fall under the restricted/negative/banned category.

29.4 Payment for imports shall normally be made through a letter of credit. However, payment can also be made by a Foreign Draft/Telegraphic Transfer (TT)/Sight Draft.

29.5 Advance payment by a Foreign Draft/TT can be made up to a value of US\$ 10,000 (or equivalent in foreign currency) after taking approval of the CFA. Such payments will be treated as an advance against the purchase until it is adjusted.

29.6 Terms of shipment should preferably be on FOB/FCA basis of that country. However, Purchase order can be issued on CIP basis as a special case depending on the situation.

29.7 The SPS will be responsible for placing orders, opening/amending/extending letters of credit, insurance, clearance and transportation of goods, processing for short received/ shipped/damaged goods.

29.8 Wherever required, the Institute shall avail the services of clearing/consolidation agents for foreign consignments arriving by air/sea.

29.9 The SPS shall maintain a stock register in which all imported items received shall be entered. Delivery of foreign consignment to the purchaser will be made against the signatures in this register. All imported items shall be appropriately entered in the departmental stock register and assets register, as applicable.

29.10 Inspection Reports (IR) for damaged/Short supplied goods must be returned to Store Purchase Section within 3 days from the date of receipt of materials, failing which it will not be possible to lodge the claim for the damaged / short supplied goods with the Insurance Company and it will be presumed that materials supplied are acceptable to the indenter.

29.11 A warranty clause should be incorporated in every contract, requiring the supplier to, without any charge, repair or rectify defective goods or to replace such Goods, with similar goods free from any defect. Any goods repaired or replaced by the supplier shall be delivered at the buyers premises without any additional cost to the buyer.

29.12 Within 24 hours of despatch, the supplier shall notify the purchaser, consignee, others concerned, the complete details of despatch and also supply following documents by air mail / courier or as instructed in the contract

- Supplier's Invoice giving full details of the goods including quantity, value, etc.
- Packing list.
- Certificate of country of origin.
- Manufacturer's guarantee and Inspection certificate.
- Inspection certificate issued by the Purchaser's Inspector (if applicable).
- Insurance Certificate ( if applicable).
- Name of the Vessel/Carrier.
- Bill of Lading/Airway Bill.
- Port of Loading.
- Date of Shipment.
- Port of Discharge & expected date of arrival of goods and.
- Any other document(s) as and if required in terms of the contract.

### **30. Import of items through individual International Credit Card**

30.1 Limit for payment through individual credit card is up to US\$ 2000 or equivalent as per directives of the RBI. The purchaser must take the approval from the CFA in advance for any remittance through Credit Card.

30.2 Indenter must ensure through Store Purchase Section that the item is not banned.

30.3 Indenter should also declare that the item is not for sale, or profit, making it clear that it is exclusively for research purpose.

30.4 Indenter should ensure that the item is of proprietary nature and only this firm is manufacturing and simultaneously the indenter should also declare that the requirement will be fulfilled by this item only.

30.5 If the item is not of proprietary nature then the indenter should declare that the price quoted by the firm is reasonable in comparison with national/international market and that he has assured himself by seeing the prices of different firms on the internet.

30.6 Indenter should get approval of CFA before placing the order by credit card and inform SPS for recording the amount for the purpose of exemption of customs duty. One copy of order is to be sent to the SPS.

30.7 Shipping mode and port of shipment must be clear in the order as to whether the shipment will be Ex-works / FCA/ CIP/etc.

30.8 Shipping details should be intimated by the indenter to the SPS before it is dispatched and shipping should preferably be through Institute authorized Freight Forwarder.

30.9 Each and every event is intimated to the SPS to avoid delay in release of consignment leading to demurrage for the material.

### **31. Annual Maintenance Contract (AMC)**

Depending on the cost and nature of goods to be purchased, it may also be necessary to enter into maintenance contracts for a suitable period either with the supplier of the goods or with any other competent firm, not necessarily the supplier of the subject goods. Such maintenance contracts are specially needed for sophisticated and costly equipment and machinery. It may however be kept in mind that the equipment or machinery is maintained free of charge by the supplier during its warranty period or such other extended periods as the terms of contract may provide for. The paid maintenance should commence only thereafter. The AMC, repair contract, repair work from the manufacturer / manufacturer's authorized supplier, in respect of various equipment in the department, may be entered into by the HOD for maximum of 10% of the equipment cost or Rs.50,000/- whichever is less. In all other cases, quotations will be invited and normal purchase rules shall be adhered to.

In case of renewal of the Annual Maintenance Contract, the following points may be taken care of:

- AMC should be from a prospective date. In order to ensure this, the HODs/PI shall be required to initiate action for renewal of AMC at least 90 days before the expiry of previous AMC.

- In case of renewal, the service report /log book (of equipment) should be sent along with the proposal.
- In case of any increase in the AMC cost as compared to previous AMC, necessary justification for increase in price may be obtained from the firm and enclosed along with the indent.
- Advance should be paid against bank guarantee, if the amount is more than Rs. 2, 50,000.00. Any deviation from this can be approved by the Director.

## STORES

### 32. Role of SPS

The role of the SPS envisaged is as follows:

- i) Processing and clearance of all purchases.
- ii) Maintaining approved panel of suppliers, for purchases through quotations/press tenders, in consultation with Departments/Centres/Schools.
- iii) Complete processing including inviting quotations through post or press for medium & major purchases on the basis of specifications / requirements of indenting Department/Centres / School.
- iv) Processing of all items such as stationery and their subsequent issue. The Registrar will be the Head of the Department for operating such budget heads;
- v) Maintenance of Central Asset Registers for items under PA & LTA category of items;
- vi) Conducting physical stock verification;
- vii) Issue custom duty and excise duty exemption certificate(s).

#### 32.2. Maintenance of Record

This section describes the records pertaining to stores that must be maintained by the Institute, departments, sections, units so as to facilitate proper stock verification, write-off and revaluation of stores, besides the transfer of stores from one department to another.

#### 32.3 Daily Receipt Register

Every Item (NCS/LTAS/Consumable Stores) received in the institute shall be first entered in the Daily Receipt Register (DRR). The Daily Receipt Register shall be maintained both in the departments as well as Central Stores. The material received through central stores and the department shall be entered both in the DRR (Central Store) and the DRR (Department) immediately after receipt of material. The entry of DRR shall be signed by the Lab Incharge of the receiving department or the Stores Incharge.

#### 32.4 Permanent Assets Register

For all Non Consumable Stores, Fixed Assets Register shall be maintained by the Central Stores as well as the Department. Entries in the Fixed Assets (FA) Register shall be made

only after the inspection of the stores by the authorised Inspection committee/Indenter as the case may be. Once the Inspection Report is signed by the inspecting authority, the material will be entered in the FA register and issued to the concerned indenter against proper issue slip. Wherever possible, serial no. of the equipment must be entered in the FA register. Location of the asset must be mentioned in both the registers i.e the FA registers maintained by the Central Stores/ Department. Each and every asset must be properly numbered at the time of issue and that number must be recorded in the relevant registers.

Separate Registers to be maintained for institute purchases and the project purchases.

The total value of all the assets entered in the Asset Register during the financial year shall indicate the value of the assets to be capitalized in the balance sheet of the corresponding financial year and both the figures must tally.

### **32.5 Limited Time Assets Register**

For all Limited Time Assets, Limited Time Assets Register shall be maintained by the Central Stores as well as the Department. Entries in the Limited Time Assets Register shall be made only after the inspection of the stores by the authorised Inspection committee/Indenter as the case may be. Once the Inspection Report is signed by the inspecting authority, the material will be entered in the Limited Time Assets register and issued to the concerned indenter against proper issue slip. Wherever possible, serial no. of the equipment must be entered in the Limited Time Assets Register. Location of the asset must be mentioned in both the registers i.e the Limited Time Assets Registers maintained by the Central Stores/ Department. Each and every asset must be properly numbered at the time of issue and that number must be recorded in the relevant registers.

### **32.6 Consumable Stores Register**

All CS items purchased shall be entered in this Consumable Stores Register. For all the consumable stores received against the formal purchase orders, Inspection Report shall be prepared and signed by the inspecting authority. Consumable Stores Register shall be maintained by the concerned departments only. All the items of consumable nature purchased directly must be entered in the CSR within 15 days from the date of receipt of material. Stores will maintain the Consumable Stores Register for the general items like Stationery/other consumable items issued centrally to different departments.

32.7 Normally printed registers provided by the SPS should be used. Every register shall be numbered and have the following certificate on the first page;

***“Certified that this register contains a total of ----- pages and each page has been consecutively numbered on both sides from ----to----”.***

***Date:***

***Signature of HOD***

32.8 The SPO shall be the custodian of all Stores, purchase records pertaining to NCS and LTAS items of the institute (including those for projects). All original documents related to any such purchase (including inquiries, report of purchase committee, sanction sheet, purchase order, invoice/bill, delivery challan and inspection reports etc) shall remain with SPS after purchase is complete. These records /documents will be maintained for such periods as may be stipulated by General Financial Rules (GFR) of the Central Government.

After the stipulated period, the record / documents may be destroyed with the specific approval of the Director.

### **33. Physical Verification**

All HODs/PI's shall constitute a Physical Stock Verification committee of not less than three members. SPO shall issue notice for Physical verification of NCS and LTAS. This committee shall physically verify all the NCS and LTAS stores and recommend for writing-off of NCS and LTAS, items which are not useable and have become obsolete. For NCS and LTAS, the committee shall record the reasons for recommending for writing-off. HODs/PI shall forward the report to the Director for approval. This report subsequently shall be sent to SPS for necessary action. SPS shall forward the list to the Accounts Section for necessary entries in the Account Books.

### **34. Transfer of Stores**

Transfer of stores within the institute from one department to another can be done by using the Transfer Voucher available in the Stores & Purchase Section. For transfer of items, the explicit written approval of the Director will be required. The transfer must be duly recorded in the relevant stock registers of Stores as well as both the departments.

### **35. Records of Consumable, Permanent Assets and LTAS items received through Gifts, donations and samples received by the Institute.**

For the gifts, donations and non-returnable samples/ components received by the institute through Store and Purchase Section under various schemes as complimentary, sales promotion or in kind etc from various universities, laboratories, manufacturers, suppliers and even persons, a consolidated record in this regard is maintained by the Stores & Purchase Section. The concerned departments/ user sections are also required to maintain the inventory/ details of such items/ gifts/ samples in their own records and a confirmation to this effect is to be sent to the Store & Purchase Section within one month of receipt of such items/ gifts/ samples if directly received by them.

### **36. Write off, Condemnation and Disposal**

36.1 An item may be declared surplus or obsolete or unserviceable, if the same is of no use to the Institute or when the item is beyond economical repair. An item may be rendered surplus, obsolete or unserviceable in the process of upgrading or replacing institute property or when institute property or equipment no longer serves a functional use due to programme, procedure or other changes. Under such circumstances the property and equipment be disposed of in the best interest of the Institute as per the following guidelines with prior approval of the Director.

- Wherever possible, the stores/equipment is traded under buy back scheme, so as to reduce the cost impact on the new stores/ equipment.
- If the above option is not available, the property and equipment be sold out rightly with due procedures.
- Obsolete, unusable materials beyond economic repair be disposed off as per procedure.



This manual outlines the procedure for write off and disposal of unserviceable materials purchased by Department / Inter-disciplinary programmes / Centres / Schools / Central facilities / Sections and purchases in projects etc.

### **36.2 Limited Time Assets (LTA)**

The procedure for accounting of assets under the LTA category needs to be different and simple as compared to the assets under the PA category. Such assets are to be disposed off after following simplified procedure on completion of the stipulated life time. The accounting procedure for assets under the LTA category shall be as follows:

- i) Item procured under the LTA category and submitted for accounting in the LTA form shall be entered in the separate Asset Register (LTA-AR).
- ii) At the end of 5 years period (life classified for LTA category items), the Depts./Centres / Schools. Indenter may initiate a note duly signed by the three Faculty Members/Group A Officers requesting through Head for deletion of these items from the LTA register. SPS shall issue the necessary notification in this regard.
- iii) Physical disposal of goods: The LTA items in a Department/ Centre/ School/ Unit may be disposed off by the Store in consultation with the HoD. The amount collected, if any, shall be deposited in the Main Account of the Institute.

### **36.3 Permanent Assets**

The HOD shall constitute a Stores Survey Board of not less than three members; at least two of them will be Senior Faculty Members. This Survey Board shall inspect/ survey the PA stores and recommend to write off those items which are ordinarily more than five years old and in this view are obsolete, unserviceable, beyond economical repair and not usable at all. The Committee shall record the specific reasons against each item while recommending the write-off.

## **37. General Procedure for writing off the unserviceable Materials / Items.**

37.1 The items to be declared obsolete /surplus/ unserviceable should be examined by a committee at appropriate level to be appointed by the Director to declare an item of stores as obsolete, surplus or unserviceable and order its disposal. The committee shall take into account the prescribed or stipulated life period of the stores. In case, such period is not prescribed / stipulated or it is not over, the committee shall examine the conditions of stores and record suitable reasons. If an item has become obsolete / surplus / unserviceable on account of negligence, fraud or mischief on the part of employee, the same should be brought out clearly.

37.2 Where the "life period" has been prescribed for any item and the same is already over, it should normally be taken as enough ground for declaring the item obsolete and unserviceable. However, the condition of the item should still be thoroughly examined to see whether the item could be put to further use.

37.3 In other cases, where the life period is not over or no life period has been prescribed or stipulated, the reason for declaring the item unserviceable should be clearly recorded such

as, may be normal wear and tear, excessive use in public interest, accidental fire, flood and other natural causes, damage due to insect, rats etc.

37.4 An item may be declared obsolete / surplus if it is no longer required by the Department. Reasons for the same should be recorded.

37.5 In case of loss due to negligence, fraud or mischief on the part of any employee responsibility should be fixed and losses be made good.

37.6 The condemnation Committee shall submit its recommendations in the prescribed form (i.e. FORM GFR -17) obtainable from the Store Purchase Section after ensuring that certain items have become unserviceable, obsolete due to wear and tear and is beyond economic repairs. Separate GFR-17 form should be filled for each item.

37.7 Actual physical disposal of items which have been written-off will be done only after the Director has approved the recommendations of the write-off / condemnation committee.

37.8 Label the items/ materials to be written off.

### **38. The write- off/condemnation Committee shall consist of**

- |  |            |
|--|------------|
| a) Head of the Department /Centre/Section/School | - Chairman |
| b) Faculty/Staff concerned (User)                | - Member   |
| c) One Dy. Registrar, or equivalent              | - Member   |
| d) In-charge (S & P), or his nominee             | - Member   |
| e) In-charge (Internal Audit) or his nominee     | - Member   |
- Technical expert (Group 'A' rank) or his equivalent –Member
  - Minimum 60% quorum is required.

### **39. Procedures for Auction**

39.1 The concerned Department / Section / Centre / School, shall make arrangement to remove the condemned articles/materials from the Department / Section concerned to the place earmarked for their temporary storage, within a week from the date of receipt of the copy of the condemnation report. Items to be disposed of shall be under the custody of the Member Secretary, Auction Committee until their disposal.

39.2 The unserviceable materials shall be disposed of as and when required through open/sealed tendering.

39.3 The Auction Committee shall decide the mode of auction. As far as possible, the disposal would be through Institute tender notice/press tender notice where interested parties would be issued tender forms to quote the rates under sealed cover.

39.4 The tenders shall be accompanied with earnest money deposit for items/stores, by way of demand draft drawn in favour of the Registrar, IIT Ropar.

39.5 Tenders received without Earnest Money Deposit would be straightway rejected, or shall not be entertained.

39.6 The tender forms along with the terms and conditions should be available on the institute website or can be sold by the office of the Central Store on payment of fee prescribed by the Director.

39.7 The party whose tender is accepted will be required to deposit the balance amount (after adjustment of earnest money deposit) within stipulated period. If the amount is not deposited within the aforesaid period, the acceptance of offer shall stand cancelled and the earnest money shall be forfeited.

39.8 After depositing the balance amount, the party should lift the goods within a period of seven days. If the goods are not removed within the prescribed period, the tenderer shall have no right or claim to the goods and whatever money may have been deposited shall be deemed to be forfeited. The institute shall be free to dispose off the goods in any manner as it may deem fit.

39.9 A sale account of auction shall be prepared (in triplicate) in the prescribed form (GFR-18) and shall be submitted to the Director duly signed by the Chairman/ Member Secretary of Auction Committee

39.10 On receipt of the sale account, the department / section / store purchase section will write off the auctioned items from the inventory / Asset Register and make the required entries in the account books maintained by the Accounts Section under the relevant Head.

39.11 The Members Secretary, Auction Committee shall arrange for the handing over of unserviceable materials to the successful tenderer after the deposit of the auction money in the Accounts Branch of the institute.

39.12 In cases where a negligible/nominal value is quoted by the bidders for the items like Computers, Printers, and Furniture etc. the preference shall be given to institute employees while selling off the above items with the approval of the Director.

39.13 The tender should be complete in all respects and should be duly signed. Late and delayed tenders due to any reason including postal delays should not be considered. Incomplete and unsigned tenders should not be considered at all. Offers sent through fax/e-mail will not be accepted.

#### **40. Auction Committee shall consist of**

1. Director or his nominee -Chairman
2. In-charge (S& P) -Member Secretary
3. Dy. Registrar (F&A), or his nominee -Member
4. In-charge (Internal Audit), or his nominee -Member
5. Security Officer or his nominee -Member
6. Faculty/Staff concerned (User) –Member

Minimum 60% quorum is required.

**41. Implementation of Rules:**

The institute shall lay down guidelines specifying normal time for each processing function under these Rules so that all actions are completed expeditiously.

**42. Discrepancies in supply**

In the event of any shortage/ damage/ wrong supply, prompt action will be initiated by SPS to rectify the same. In case, the supplier fails to rectify the shortage/ damage/ wrong supply in a reasonable time, the matter shall be initiated to recover the full cost paid. SPO shall lodge Insurance claims and pursue them vigorously to realize the sum insured.

**43. Interpretation of Rules:**

Wherever, difficulties arise in interpreting these rules or relaxations are required for smooth functioning of Teaching and Research work, Director shall be the competent authority for approval on behalf of the Board of Governors.

Any rule/purchase procedure not covered here shall be governed by the GFR, Delegation of Financial Power Rules (DFPR)/ Manual or Policies and Procedure for Purchase of Goods of Government of India.