

Norms for Stores and Purchase



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Indian Institute of Technology Jodhpur

Norms for Stores and Purchase

1. SCOPE

This manual outlines the procedures to be adopted for a purchase of equipment and stores from Grant-in-Aid, Extra-Mural Research Grants and Consultancy Project Funds. It excludes purchases made by the Central Library and works undertaken by the Institute Works Department.

2. ABBREVIATIONS AND DEFINITIONS

2.1 Abbreviations

AS	Account Section
BOG	Board of Governors
CA	Competent Authority
CS	Consumable Stores
CFA	Competent Financial Authority
C (R&D)	Coordinator: Research and Development
FC	Finance Committee
GFR	General Financial Rules
IA	Internal Audit
IR	Inspection Report
NCS	Non-Consumable Stores
PI	Project Investigator
R&D	Research and Development Office
RC	Rate Contract
SPS	Stores & Purchase Section
IW	Institute Works

2.2 Definitions

Administrative Unit: Centre or any recognized office of the Institute, which has a separate budget allocated for it.

Project: A research, consultancy or special activity financially supported by any external agency or the Institute, and bearing a valid registration number given by the office of R&D.

Project Investigator: A regular employee of the Institute, who is authorized by the Institute as the person with the primary responsibility to steer the objectives of a project.

Purchaser/Indenter: The individual authorized by the Institute to acquire the needed material or service.

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Stores: Generally, all articles, material, commodities, livestock, furniture, raw material, spares instruments, machinery, equipment, industrial plant, etc., purchased or otherwise acquired for use at the Institute, but excluding books, publications, periodicals, etc., for library and procurement done by the office of Institute Works.

Supplier: The company, vendor, dealer, agent or individual from which/whom the Institute procures goods or services.

Temporary Contingent Advance: A loan of a small sum of money taken to make small purchases within the appropriate budget head.

Rate Contract: An agreement between the Institute 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.

3. CLASSIFICATION OF STORES

All stores to be procured shall be classified into two categories, namely:

- (1) Non-Consumable Stores and
- (2) Consumable Stores

3.1 Non-Consumable Stores

Non-Consumable Stores (NCS) are those stores, which are intended to be used over the prolonged period before becoming unserviceable, unusable or obsolete, and having significant disposal value. Also, those stores, which are sub-systems or parts of equipment potentially repaired or reused and stores which are fabricated equipments or assembled equipment bought as a single item, are classified as NCS. The following are some examples, which are indicative but the list is not exhaustive: plant machinery, equipment, fabricated equipment, instruments, assembled instruments, motors, gas cylinder, workshop machines, furniture, books, computers, computer accessories (disk and other peripheral drives), software, printers, monitors, UPS, telephones, and mobiles.

All NCS shall be entered into the Asset Register of the Institute or the Centre or formally recognised unit of the Institute. For writing off and disposal of stores, approval of Competent Authority is necessary.

3.2 Consumable Stores

Consumable Stores (CS) are those Stores, which are not the NCS, or those stores which satisfy one of the following conditions:

- (a) exhaust with lapse of time,
- (b) rendered unserviceable or unusable due to normal wear and tear,
- (c) do not have significant disposal value, and
- (d) spare parts purchased for replacing of any damaged part of any equipment/machine; such spares are considered not to have any replacement value. The following are some indicative but not exhaustive examples: all paper licenses and security licenses, locks, chemicals, glassware, medicines, stationery items, printer ribbons and cartridges, pen drive, keyboard, mouse, floppies, CD ROMs, magnetic tapes, Chips and Electronic Components (like resistors, capacitors, and connectors), electrical components (like wire switches, plugs, bulbs, cells, tool-bits and hand tools).

All CS shall be entered in the Consumable Store Stock Register of the concerned administrative unit of the Institute. CS purchased from funds of Sponsored or Consultancy Projects shall be entered in the Consumable Store Stock Register separately maintained for the Project.

In case of a dispute regarding the classification of an item of purchase, the decision of Director shall be final.

4. FINANCIAL SANCTIONING POWERS

The Competent Financial Authority (CFA) is the person, who has the authority to approve purchases within the allocated budget of the administrative unit of the Institute or the Project. It is the responsibility of the CFA to ensure that sufficient funds are available for the purchase. The powers to sanction expenditures are shown in Table 1 for purchases made from Grant-in-Aid and Table 2 for purchases made from funds from Sponsored and Consultancy Projects.

Table 1: Financial Powers to various designatories for approving expenditure from *Grant-in-Aid*

S.No.	Designatories	Financial Limit (in Rupees) up to which approval can be given for			
		Non-Recurring	Recurring	Temporary Advance	
1.	Coordinator				
	(a) Faculty	Nil	1,50,000	50,000	
	(b) Academics - UG Programme				
	(c) Academics - PG Programme				
	(d) Students				
	(e) Library (for Books & eResources only)				5,00,000
	(f) Automation				Nil
	(g) Centre (E)				5,00,000 on recommendation of Coordinator (Laboratories)
(h) Centre (ICT)					
(i) Centre (SS)					
(j) Centre (BISS)					
2.	Chairman				
	(a) Placement Committee (R&D Project No. INST/TPA/20120006)	Nil	50,000	50,000	
	(b) Extra Mural Lecture Committee	Nil	50,000	50,000	
	(c) Alumni Relations Committee (R&D Project No. INST/ALUMNI/20120003)	Nil	50,000	50,000	
	(d) Health Services Committee (R&D Project No. INST/HC/20110002A1)	Nil	50,000	50,000	
	(e) Council of Wardens (R&D Project No. INST/CoW/20110002)	1,50,000	50,000	50,000	
	(f) Examinations Committee	Nil	50,000	50,000	
3.	Officers				
	(a) Green Officer	Nil	50,000	50,000	
	(b) Public Relation Officer	Nil	1,50,000	50,000	
4.	Deputy Librarian	Nil	20,000	10,000	
5.	Assistant Registrar	50,000	50,000	50,000	
	(a) Medical Advance for Outstation Hospitalization	Nil	Nil	1,50,000	
	(b) Medical Advance for Local Hospitalization	Nil	Nil	50,000	
6.	Director	Cases not covered above			

Table 2: Financial Powers to various designatories for approving purchases from Sponsored Projects and Consultancy Projects

S.No.	Designatories	Financial Limit (in Rupees) upto which approval can be given for		
		Non-Recurring	Recurring	Temporary Advance
1	Principal Investigator	1,50,000	50,000	50,000
2	Coordinator (R&D)	5,00,000	5,00,000	5,00,000
3	Director	> 5,00,000	> 5,00,000	Not Applicable

4.2 Fundamental Principles of Purchase

- (1) All purchases of furniture should be done through office of Stores Purchase after duly approved by the Competent Financial Authority.
- (2) The limits of Financial Powers mentioned in Table 1 apply to indigenous purchase as well as import. For the purposes of imports, the Indian Rupee equivalent of the foreign currency should be considered on the date of sanction.
- (3) All temporary contingent advances should be adjusted within 15 days of taking the advance.
- (4) For the purposes of this manual, Acting Coordinator of Centres or Acting Coordinator (R&D) shall NOT exercise any financial power as the incumbent. In such instances, the relevant papers shall be put up to the Director for consideration.

5. REGISTRATION & BLACKLISTING OF FIRMS

5.1 Local (within municipal area of Jodhpur) general suppliers, authorized agents/distributors of the manufactures/service providers, and firms undertaking job works can be registered with the Institute by inviting proposals in the prescribed format as given in **Annexure A**.

Registration of firms shall be done by the Institute in the following categories for inviting quotations for procurement, namely materials, services, equipments, and instruments. The credentials of the Firms (including manufacturing capacity, quality control facilities, past performance, after sales services, and financial background) shall be verified by the Institute. The firms obtaining the registration should have valid registration for CST, VAT, Service Tax, TIN and/or PAN.

The registration of firms will be valid for a period up to 3 years, depending on the nature of the supplies to be made by them. If required, it can be extended further, considering their performance. At the end of the period, the firms willing to continue their registration with the Institute are required to apply afresh for renewal of registration as per procedure given in **Annexure B**. New firms may be considered for registration at any time, provided they fulfill all the required conditions.

5.2 The registered firms shall be liable to be removed from the list of approved firms, if (a) they fail to abide by the Terms and Conditions, (b) they fail to supply the goods on time, (c) they supply sub-standard services, items or goods, (d) they make any false declaration to the Institute, or (e) for any other ground, which in the opinion of the Institute is considered to be against the public interest.

5.3 Blacklisting of Firms

A firm can be blacklisted on the recommendation of Officer-in-charge of any administrative unit of the Institute. Officer-in-charge (Stores and Purchase) shall process such recommendation, and place the same before a committee duly constituted by the Director for the purpose.

On the recommendations of the Committee, a final decision will be taken by the Director. The information of such blacklisted firms, shall be widely circulated by the Officer-in-charge, (Stores and Purchase), to all the concerned.

6. GENERAL PROCEDURES AND RULES FOR PURCHASE

All the purchases should be made in a transparent, competitive and fair manner to secure best value. This will enable bidders to formulate and send their competitive bids with confidence. The procedure given in Figure 1 will be applied generally to all purchases of the Institute, except books and publications acquired by the Library.

All purchases shall be initiated with the approval of Competent Financial Authority. An indent (**Annexure C**) for an item required will be raised alongwith detailed specifications of the item and estimated value, for the approval of Director. Director may re-delegate powers at appropriate level of officers.

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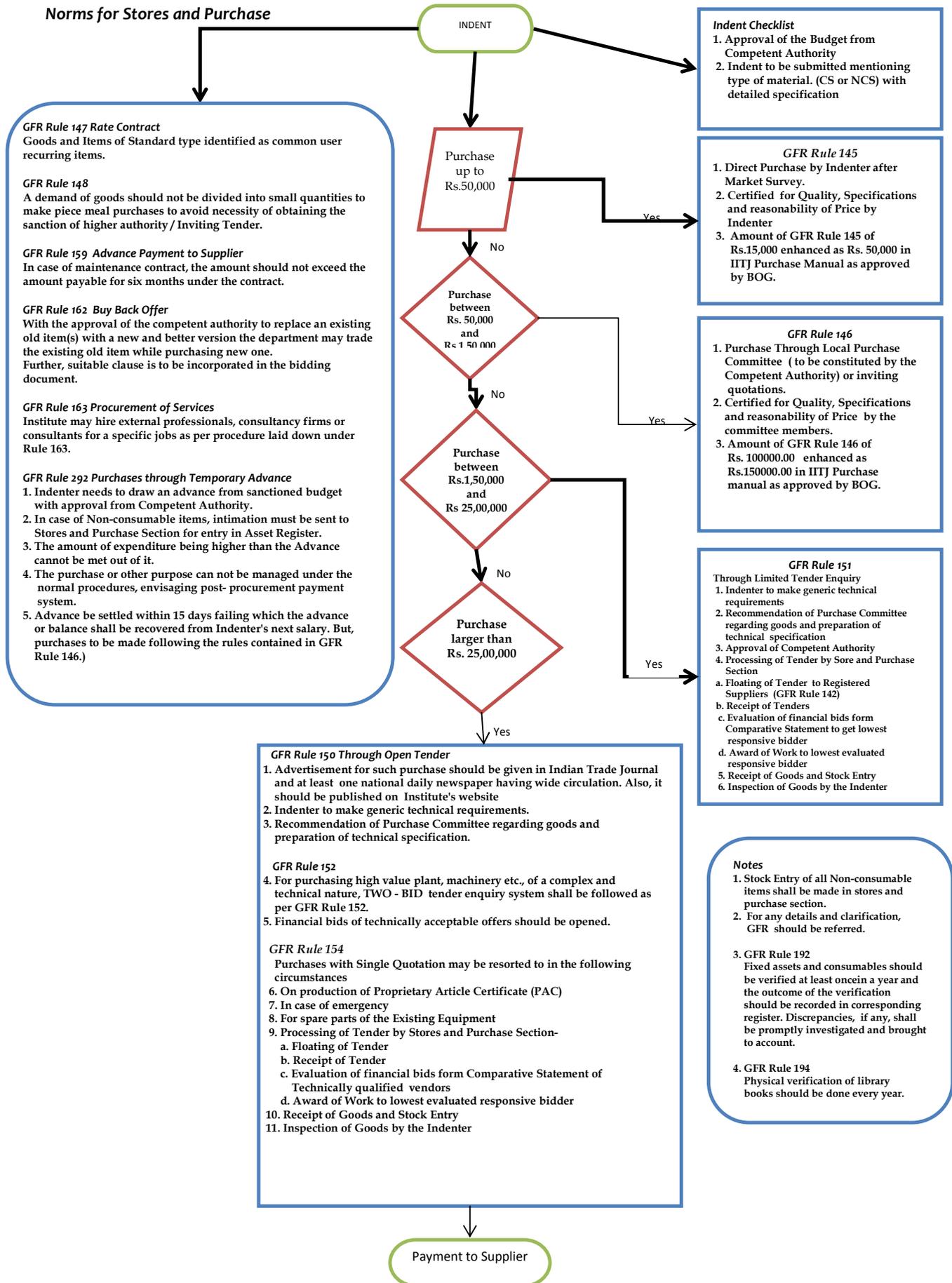


Figure 1: Summary of Process to be adopted for Purchases at the Institute

The procedures given in the sub-section below shall apply to all purchases, except where stated otherwise.

6.1 Purchase of Goods without a Quotation or with a Single Quotation (GFR: Rule 145)

Purchase of goods costing up to Rs.50,000 (Rupees Fifty Thousand only) on each occasion, may be made by the Competent Authority without inviting or on single quotation on the basis of a certificate recorded by her/him as per format given in **Annexure D**.

Such purchases shall be made in one of three ways, namely:

- (1) The purchase can be made directly by the purchaser through an advance drawn for the purpose (**GFR: Rule 292**). This advance shall be subsequently adjusted by using the contingent advance adjustment form, duly supported by a Cash Memo, Bill or Receipt and a Proof of entry in the appropriate Stock Register. For NCS items, intimation must be sent to office of Stores Purchase stating that the items are entered in the Asset Register. Otherwise, bills will not be passed for payment by Office of Accounts, and it shall become a matter of observation by Internal Audit.
- (2) When a Purchaser makes a direct purchase from a Supplier and payment is to be made by the Office of Accounts for a project or non-project purchase, the Payment shall be made only against (a) the proper invoice, bill and / or tax invoices, (b) proof of challan or transfer invoice of the item by the purchaser, and (c) entry in the appropriate stock register and Asset Register (wherever relevant). Even when a NCS purchase is made through the office of Stores Purchase, intimation must be sent to office of Stores Purchase that the item is entered in the Asset Register. Otherwise, bills will not be passed for payment by office of Account, and it shall become a matter of observation by Internal Audit.
- (3) The purchase can be made through the office of Stores Purchase for which the quotations (duly signed together with the purchase proposal approved by the Director) shall be sent to office of Stores Purchase for placing the order and further processing.

6.2 Purchase of goods by Purchase Committee (GFR: Rule 146)

Purchase of goods costing more than Rs.50,000 (Rupees Fifty Thousand only) and up to Rs.1,50,000 (Rupees One Lakh Fifty Thousand only) on each occasion may be made on the recommendations of a duly constituted Local Purchase Committee consisting of at least three Members of an appropriate level (as approved by the Competent Authority). The Members of the Committee will survey the market to ascertain the reasonableness of rate, quality and specifications and identify the appropriate supplier. Before recommending to place the purchase order, the Members of the Committee will jointly record a certificate as given in **Annexure E**.

6.3 Purchase of Goods with Quotation (GFR: Rule 149)

Purchases of Goods costing more than Rs.1,50,000 can be made by inviting quotations. A minimum three quotations are required for making the recommendation.

6.3.1 Through Open Tender (GFR: Rule 150)

If the estimated cost of the item is above Rs.25 lakh, the following procedure shall be adopted:

- (1) Indenter should prepare generic technical requirements;
- (2) Purchase Committee should recommend the purchase regarding goods and prepare the technical specification; and

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- (3) Officer-in-charge of Office of Stores Purchase should advertise for such purchase in Indian Trade Journal and at least one national daily newspaper having wide circulation. Also, it should be published on the website of the Institute.
- (4) Tender should be processed by office of Store Purchase
 - (a) Float Tender to Registered Suppliers (GFR Rule 142);
 - (b) Receive Tenders;
 - (c) Evaluate financial bids through preparation of a Comparative Statement to identify lowest responsive bidder;
 - (d) Award work to lowest evaluated responsive bidder;
- (5) Receive goods and make entry in Stock Register; and
- (6) Seek inspection of goods by the Indenter.

6.3.2 Through Limited Tender Enquiry (GFR: Rule 151)

If the estimated cost of the item is below Rs.25 lakh, the following procedure shall be adopted:

- (1) Indenter should prepare generic technical requirements;
- (2) Purchase Committee should recommend the purchase regarding goods and prepare the technical specifications;
- (3) Competent Authority should be approached for approval;
- (4) Tender should be processed by office of Store Purchase
 - (a) Float Tender to Registered Suppliers (GFR Rule 142);
 - (b) Receive Tenders;
 - (c) Evaluate financial bids through preparation of a Comparative Statement to identify lowest responsive bidder;
 - (d) Award work to lowest evaluated responsive bidder;
- (5) Receive goods and make entry in Stock Register; and
- (6) Seek inspection of goods by the Indenter.

6.3.3 General Requirements

Enquiry should be floated to as many vendors as possible (almost all available vendors) to have competitive rates. Quotation can be called and received by Registered Post, Speed Post, Courier services or by hand, but must be in sealed cover. Typically, the *Call for Quotation* should mention the following:

- (1) Specification of the item and end use of the required goods;
- (2) Quantity to be purchased;
- (3) Date and time by which the quotation should be received;
- (4) Date by which deliveries are expected;
- (5) Date on which the quotation will be opened (wherever necessary);
- (6) Warranty requirements;
- (7) Requirement of test certificate, if any;
- (8) Requirement of type approval for compliance of statutory requirements with respect to pollution, emission, noise, etc;
- (9) Training, technical support, after sales service and annual maintenance contract requirements, if any;
- (10) Period of validity of quotation;
- (11) Special requirements of packing and marking, if any;
- (12) Normal payment terms of the Institute;
- (13) Tax exemptions applicable; and
- (14) Any other special terms and conditions which are applicable. An Approved format available for this shall be used.

If the value of the enquired items is be more than Rs.50,000, a copy of all enquiry letters shall be displayed on the Website of the Institute and Notice Board. Quotations received from firms on the basis of this notice will be considered, if these are from any of the categories of the registered firms.

Quotation must be opened in the presence of All Members of the Purchase Committee (as approved by Director). All Quotations must be signed by All Members of the Committee (along with date). Signatures are necessary on the covering envelope, financial part of the bid and the part which contains the Terms and Conditions. Negotiations should be done only with L-1 bidder to further reduce the price(s) quoted.

Committee should prepare a Report consisting of the following:

- (a) A comparative statement of the prices quoted by all dealers/sellers, indicating all taxes, freight, forwarding, etc., i.e., the total cost of the purchase.
- (b) The dealer from whom purchase is recommended.
- (c) In the event purchase is recommended not on the basis of lowest quotation, the reason 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 office of Stores Purchase for placing purchase order, irrespective of the source of funding of the purchase.

6.4 For purchases which are directly initiated by the office of Stores Purchase, irrespective of the amount, the Director shall constitute a Committee for a period of one year comprising of at least three members, including one from the office of Stores Purchase. This procedure should be followed especially when bulk purchase of stores is involved (e.g. medicines, stationery items, chemicals & liveries) or when the same item is required by multiple purchasers.

6.5 Purchase of goods on single quotation basis (Proprietary Article: GFR: Rule 154)

Purchase of goods costing more than Rs.1,50,000 (Rupees One Lakh Fifty Thousand only) can be done only on single quotation basis under the following circumstances:

- (a) Item which do not have any substitutes, or items that are spare parts of already 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/indenter must furnish a Proprietary Certificate (**Annexure F**) countersigned by the Competent Authority (respective Centre: Coordinator).
- (b) If the total value of the item is more than Rs.50,000, a Proprietary Certificate must be obtained from the supplier stating that they are the only source of supply /manufacture of the item.
- (c) In case of emergency, the required goods are necessarily to be purchased from a particular source and reason for such decisions is to be recorded, and prior approval of the Competent Authority should be obtained before initiating the purchase.
- (d) As per GFR Rule 148, a demand of goods should not be divided into small quantities to make piece meal purchases to avoid necessity of obtaining the sanction of higher authority or to avoid inviting the Tender.

6.6 Repeat Orders

Repeat orders can be processed, provided the repeat order is

- (a) made with no change in the rates, specifications as well as terms & conditions of supply;
- (b) placed within 180 days time from the date of the quotations;
- (c) made after ensuring that there is no significant reduction (more than 10%) in the cost of the item(s);

- (d) no buy-back is involved in the purchase; and
- (e) no amendment is made in the repeat order.

6.7 Purchase of Rate Contract Goods (GFR: Rule 147)

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.

Based on requirement identified by the office of Stores and Purchase, the Institute may enter into rate contract arrangement with one or more Supplier for specified period. The details of such arrangement shall be negotiated by Purchase Committee. But, items available on valid Rate Contract of DGS&D can be procured directly by placing order to the firm listed therein at the listed price.

6.8 e Procurement

e Procurement refers to purchase of goods through electronic mode of interface with tenders and IT enabled management of the entire procurement process (notice inviting tenders, supply of tender documents, receipt of bids, evaluation of bids, award of contract, and execution of contract through systematic enforcement of its various clauses and tracking claims, counter-claims and payments. To cut down the transaction costs and improve efficiency and transparency, the Government aims to make it mandatory for all organizations.

As such, all purchasers are advised to proactively engage themselves in articulating user needs in the development of IT system for e Procurement. The system should be secure, capable of maintaining complete confidentiality at appropriate stages of the bidding process, so that the tenders feel confidence in electronically transmitting their queries and bids. Until a full fledged system for e Procurement is developed by the Institute, the purchaser may receive quotations through hard copies as well as by e Mail, provided the quotations received via e Mail shall be included, only when a hard copy (duly completed in all respects) is received from the concerned tenders before the date of opening of the bid. It is in this context that all purchasers are advised to display all enquiry letters on the website and notice boards of the Institute so that the registered firms are able to submit their quotations to the purchaser within the specified period. After finalization of the e Procurement system, Institute will implement the same.

6.9 Purchase under buy back scheme (GFR: Rule 162)

When it is decided with the approval of the Competent Authority to replace the existing old item(s) with a new and better version, the purchaser may trade the existing old item while purchasing the new one. For this purpose, quotations are to be invited clearly mentioning the specification of old and new item asking the buy back offer from the vendor.

After finalizing the deal, a condemnation report is to filled up on GFR 17 form for old item, signed by all Members of Committee constituted for condemning and write-off the old items (as approved by Director) and finally to be sent along with purchase indent. It is to be mentioned on GFR 17 in the column of mode of disposal that item is being given to the firm under buy back scheme.

6.10 Two bid system (GFR: Rule 152)

For purchasing capital equipment, high value plant, machinery, etc., of complex and technical nature, tender enquiry document, complete in all respects, may be issued as usual. But, the Tenderers should be asked to bifurcate their quotation into two parts: the first part (known as 'Technical Bid') should contain the relevant technical specifications and allied

commercial details as required in terms of the tender enquiry documents, and the second (known as 'Financial Bid') only the price quotation.

The Technical Bid and the Financial Bid should be sealed by the Tenderer in separate covers. The Technical Bids should be opened first at the prescribed time and date; the same will be scrutinized and evaluated by the Competent Committee / Authority with reference to the parameters prescribed in the tender documents and the offer received from the Tenderers. The Committee shall identify the tenders that technically acceptable. Thereafter, the Financial Bids should be opened of only the technically acceptable offers (as decided in the first stage above) for further scrutiny, evaluations, ranking and placement of contract.

All the purchases exceeding Rs.50,000 (Rupees Fifty Thousand only) must be pre-audited through the Internal Audit of the Institute. This will be applicable for direct purchases as well as purchase through SPS.

6.11 Lack of Competition (Manual on Policies and Procedures for Purchase of Goods, Ministry of Finance: Rule 11.7.4)

Sometimes, the purchase organization may not receive sufficient number of tenders. A situation may also arise where, after analyzing the tenders, the purchase organization ends up with one responsive tenderer. In such situations, the purchase organization is first to check whether, while floating/issuing the tender enquiry, all necessary requirements like standard tender enquiry conditions, industry friendly specification, wide publicity, sufficient time for formulation of tenders, etc. were fulfilled. If not, the tender is to be re-issued/re-floated after rectifying the deficiencies. However, if after scrutiny it is found that all such aspects were fully taken care of and in spite of that the purchaser ends up with one responsive tender only, then contract may be placed on that tenderer provided the quoted price is reasonable.

6.12 Indenter will fill the Purchase Requisition Form (**Annexure G**) / Purchase Requisition Form for Import Items (**Annexure H**) and submit to the office of Stores Purchase along with committee reports, comparative statement, all original bids, budget approval and other related documents, for placing the Purchase Order, irrespective of the source of funding of the purchase.

7. PAYMENT TERMS

The payment terms must be approved by the Director in the sanction sheet. The normal terms of payment for indigenous purchases shall be 80% on delivery of the items, 10% after satisfactory installation/inspection and approval, and balance 10% after the submission of the Performance Security.

Terms of payments may be changed from item to item. For example, for liveries, stationery and furniture, the payment may be made 100% against delivery subject to the inspection and approval by the Competent Authority. For purchases upto Rs.50,000 of any item, 100% payment against delivery and inspection may be done.

7.1 Advance payment to supplier (GFR: Rule 159)

7.1.1 Ordinarily, payments for services rendered or supplies made should be released only after the services have been rendered or supplies made. But, it may become necessary to make advance payments in the following cases:

- (i) Advance payment demanded by firms holding maintenance contracts for servicing of air conditioners, computers, other costly equipment, etc.
- (ii) Advance payment demanded by firms against fabrication contracts, turn-key contracts, etc.
Such advance payments should not exceed the following limits:
 - (a) 30% of contract value to private firms against valid bank guarantee of requisite amount;
 - (b) 40% of contract value to a State or Central Government agency or a Public Sector Undertaking; or
 - (c) in case of maintenance contract, the amount should not exceed the amount payable for six months under the contract.

The Institute may relax, in consultation with its Finance Committee, the ceilings (including percentage laid down for advance payment for private firms) mentioned above. While making any advance payment as above, adequate safeguards should be obtained from the firm in the form of bank guarantee, etc.

7.1.2 Part payment to suppliers: Depending on the terms of delivery incorporated in a contract, part payment to the supplier may be released after it dispatches the goods from its premises in terms of the contract.

7.1.3 Penalty clause is applicable, for Indigenous order, which is 1% of order value per week subject to a maximum of 10% of order value. For Import order, it is 0.5% of order value per week subject to a maximum of 10% of order value.

If the payment term is against delivery or cash on delivery (COD), then after receiving the goods, indenter after being satisfied shall inform Office of Stores Purchase to release the payment.

For balance payment, after receipt of satisfactory Inspection Report (IR) from the Indenter, the items must be entered in appropriate stock and asset register. The Office of Stores Purchase will submit the necessary document within one week to Office of Accounts for release of payment. The Office of Accounts will ensure that the payment due is released within 7 days through cheque or draft directly to the Supplier by registered post or courier.

8. 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.

The penalty clause of 1% of the delivered price of the delayed goods for each week or part thereof subject to a maximum of 10% of the delivered price, should 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 Supplier in favour of the "Director, IIT Jodhpur", at the time of making the payment.

9. PURCHASE SANCTION AND RECEIPT OF ITEMS

9.1 The sanction sheet for all the purchases (except those which are less than Rs.50,000) must be approved by the Director. The sanction sheet prepared along with all associated documents shall be sent for pre-audit to Internal Audit Officer prior to seeking approval of the Director. Based on the approved sanction sheet, the purchase order shall be prepared and released.

If for any reason, a financial change is required in the purchase order, the request for such a change shall be thoroughly examined by the Internal Audit Officer and shall be approved by the Competent Financial Authority before the change is issued, as an amendment to the original Purchase Order by the Officer-in-charge, Stores Purchase.

9.2 All purchases shall be made through a Purchase Order placed to the Supplier by the Officer in-charge, Stores Purchase of the Institute, who shall be responsible for receipt of goods and the subsequent dispatch of the same to the purchaser/indenter along with forms of Inspection Report. The purchaser shall return the Inspection Report within 15 days after recording appropriate comments.

9.3 If the Inspection Report is not returned to SPS within fifteen days, it will be presumed that materials supplied are acceptable to the purchaser/indenter and necessary action will be taken for making the payment to the firm.

9.4 The Officer-in-charge, Stores Purchase, shall be responsible for clearance of all consignments at railway stations, sea, airport, and transport godowns and safe transportation and storage. Insurance of items shall be arranged before dispatch either by the Supplier or Officer-in-charge, Stores Purchase.

9.5 Normally, delivery of items purchased shall be done at the Office of Stores Purchase. But, in exceptional situations, the suppliers may be required to deliver the items directly to the purchaser/indenter. In such a case, the purchaser/indenter must be responsible to inform the Officer-in-charge, Stores Purchase about such delivery, prior to the receipt of the items.

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

9.7 Once the purchase has materialized satisfactorily, the items must be entered in the appropriate Stock Register of the Centre/Project and in the Asset Register of the Institute, where relevant.

9.8 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.

9.9 The Director may at his discretion permit deviations from any of the above provision, if he is satisfied that such deviation will be in the interest of the Institute and that the insistence on the above provisions can cause inconvenience and delay.

9.10 The rates should preferably be quoted both in words and figures. All cuttings, overwriting should be duly initialed, failing which the quotation, tender or bid shall be liable to be rejected.

10. DUTIES & TAXES

10.1 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 and insurance charges as per prevailing rate.

10.2 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).

10.3 The Institute is partially exempted from paying custom or excise duty for all import and indigenous items, for which an excise or custom duty exemption certificate shall be provided by the Institute.

10.4 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. But, sales tax shall not be reimbursed by the Institute in such purchases.

10.5 Any concession on taxes and levies (such as excise duty, custom duty and sales tax granted by the State or Central Government) must be availed in procurement of any item. The Office of Stores Purchase shall obtain all such information and apprise from time to time all concerned about the applicability of tax or levy rates and charges brought about, if any.

The Officer-in-charge, Stores Purchase, shall issue the required declaration or 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.

11. ANNUAL MAINTENANCE CONTRACT (GFR: RULE 156)

Depending on cost and nature of the goods to be purchased, it may 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. Usually, 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 there afterwards.

11.1 The annual maintenance contract or repair contract may be entered into by the Competent Authority with the Manufacturer or Manufacturer's Authorized Supplier, in respect of various equipment in the Institute, for maximum of 10% of the equipment cost or Rs.1,00,000, whichever is less. In all other cases, quotations should be invited and normal purchase rules adhered to.

11.2 In case of renewal of the Annual Maintenance Contract (AMC), the following points may be taken care of while sending the proposal for renewal of Annual Maintenance Contract;

- (a) AMC should be from a prospective date. To ensure this, the Competent Authority shall initiate action for renewal of AMC at least 90 days before the expiry of previous AMC.
- (b) In case of renewal, the service report or log book (or photocopies) should be sent along with the proposal.
- (c) In case of any increase in the AMC cost when compared to previous AMC, necessary justification should be obtained for increase in price from the firm and enclosed along with the indent.
- (d) Advance payment should be paid against bank guarantee, if the amount is more than Rs.1,00,000.

11.3 Only, frequently used machines shall be entered in the Annual Maintenance Contract, not occasionally used machines.

12. PURCHASING OF IMPORT ITEMS

The procedure outlined for the indigenous purchase shall be followed for the procurement of items through import also. In addition, additional requirements shall be applicable for the import orders, which are given in this section.

12.1 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.

12.2 Normally, the import of the items should be made directly from the foreign principals. When purchase is made through an Indian Agent of the foreign supplier, the documentary evidence of the same should be obtained from the Indian Agent, stating that they are authorized to sell the item on behalf of the foreign principals. Any agency commission payable to the Indian Agent, shall be paid only in Indian rupees.

12.3 The Office of Stores Purchase shall ensure that the imported items do not fall under the restricted, negative or abandoned category as per the Government of India.

12.4 Provision of exemption in customs duty must be availed and necessary certificate issued along with purchase order.

12.5 Request for quotation should be sent by email, in addition to by registered post, speed post, courier or fax.

12.6 Normally, payment for import shall be made through a Letter of Credit or Telegraphic Transfer. But, payment can be made by a demand draft also.

12.7 The terms of shipment shall be on FOB price of that country and not CIF, as IIT Jodhpur has hired the services of a Freight Forwarder. But, CIF price may be accepted in special instances, on case to case basis depending on the situation as approved by the Director.

12.8 Wherever required, the Institute shall avail the services of clearing or consolidation agents for foreign consignments arriving by air or sea. Such clearing agents shall be hired on the basis of agreed terms or single consignment basis, whichever is advantageous to the Institute.

12.9 Officer-in-charge, Stores Purchase, is responsible for placing orders, opening/amending extending letters of credit, insurance, clearance and transportation of goods, and processing for short shipped or damaged goods.

12.10 The Officer-in-charge, Stores Purchase, 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 signature in this register. All imported items shall be appropriately entered in the stock register and asset register.

12.11 Inspection Report must be returned to Office of Stores Purchase duly approved, or rejected, within three days, failing which it will not be possible to lodge the claim of damage to the Insurance Company, and it will be presumed that materials supplied are acceptable to the Indenter.

12.12 Import of items through individual International Credit Card

The Indenter or purchaser must take the approval of CFA before placing the order for buying consumable/part of machine/accessories, by credit card and inform Office of Stores Purchase also. Limit of payment for individual credit card is only up to Rs.50,000 or equivalent in any foreign currency, including Customs and freight charges of the items.

13. MAINTENANCE OF RECORD

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

13.1 The Institute shall maintain a record of all purchases in the NCS category in the Asset Register of the Institute. Each entry must contain at least the following information:

- (a) Purchase order number and date;
- (b) Brief specification of the item;
- (c) Date of entry in the Asset Register;
- (d) Name of the centre for whom purchased; and
- (e) Cost and project number (if applicable).

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.

13.2 Each office at the Institute shall maintain the following two separate registers, namely Non-Consumable Stock (NCS) Register, and Consumable Stock (CS) Register. Items in the different categories purchased by the office shall be entered in the appropriate register.

13.3 For projects, the Project Investigators shall maintain separate stock registers. All CS items purchased from the project shall be entered in CS register, but all NCS items shall be entered in the NCS Stock register of the associated office and Institute Assets Register. Each register must have consecutively numbered pages after the certificate page and the index, which shall be at the beginning of the register.

13.4 The register should have certificate shown in **Annexure I** on the first page.

13.5 The Officer-in-charge, Stores Purchase, shall be the custodian of all Stores, Purchase Records pertaining to NCS items of the Institute (including those acquired through projects). All original documents related to any such purchase (including for inquiries, report of purchase committee, sanction sheet, purchase order, invoice/bill, delivery challan, and inspection reports etc) shall remain with Officer-in-charge, Stores Purchase after purchase is complete. These records and documents will be maintained for such periods as may be stipulated by Government Financial Rules of the Central Government. After the stipulated period, the record or documents may be destroyed with the specific approval of the Director.

13.6 All Officers-in-charge or PIs shall appoint a Committee to conduct an Annual Physical Stock Verification of all items on the previous stock register of the office/ project at the end of financial year. The Committee shall submit survey report of all NCS stores and recommend write-off for NCS item(s) that are not serviceable, unusable or obsolete.

For NCS, the Committee shall record the justified reason for recommending write-off / revalue the items and report all those items that may be considered to be of no value with reasons recorded. Officer-in-charge or PI shall forward the report to the Director for approval. Subsequently, this report shall be sent to Officer-in-charge, Stores Purchase for necessary action.

14. TRANSFER OF STORES

14.1 To transfer stores within the Institute or outside the Institute, a written permission of the Director is required. Inter-office transfer can be done using approved form (**Annexure J**) and must be duly recorded in the relevant register of both the centre.

14.2 In case of project purchase, the transfer of stores on specific instructions of the Sponsoring Agency can be done with the explicit approval of the Director. Subsequent to transfer of stores as mentioned above, the appropriate Stock and Asset Registers shall be suitably updated. The value of stores so transferred shall be deducted from the capitalized assets of the Institute as indicated in the balance sheet.

15. RECORDS OF CONSUMABLE AND NON-CONSUMABLE ITEMS RECEIVED BY THE INSTITUTE AS GIFTS, DONATIONS AND SAMPLES

The Institute may receive various types of gifts, donations and non-returnable samples/components under various schemes as complimentary, under sales promotion or in kind, etc., from various universities, laboratories, manufacturers, suppliers and even persons. A consolidated record in this regard shall be maintained by the Stores & Purchase Section. The concerned offices are required to maintain the inventory or details of such items, gifts and samples in their own records and a confirmation to this effect is to be sent to the office of Stores Purchase within one month of receipt of such items, gifts or samples.

16. WRITE-OFF, CONDEMNATION AND DISPOSAL

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 off in the best interest of the Institute, as per the following guidelines with prior approval of the Director:

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

16.1 Financial Powers

Table 3 gives the financial limits for writing-off of the unserviceable items/materials with an individual value.

S. No.	Competent Authority	Financial Limit (Rs.)
1.	Director	Up to 2,00,000
2.	Board of Governors	More than 2,00,000

Table 3: Financial Limits for Writing-off Items

16.2 General Procedure for writing-off

The items to be declared the obsolete, surplus or unserviceable should be examined by the Condemnation Committee, to be constituted by the Director, and their disposal recommended. The Committee should take into account the prescribed or stipulated life period of the stores. In case, such period is not prescribed or stipulated or it is not over, the Committee should examine the conditions of stores and record suitable reasons. If an item has become obsolete, surplus or unserviceable on account of negligence, fraud or mischief on the part of employee, the same should be brought out clearly.

16.3 Procedure for Auction

The following procedure may be adopted for auction:

- (1) After approval of the Director on the recommendations of Condemnation Committee, Officer-in-charge of the office shall forward a copy of the Director's approval to the Auction Committee, headed by Member Secretary, to be constituted by the Director.
- (2) The concerned office shall make arrangement to remove the condemned articles or materials from the office 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-off shall be under the custody of Member Secretary, Auction Committee, until their disposal.
- (3) The unserviceable materials shall be disposed of periodically through open or sealed tendering.
- (4) The Auction Committee shall decide the mode of auction. As far as possible, the disposal would be through Institute tender notice or press tender notice, where interested parties would be issued tender forms to quote the rate under sealed cover.

- (5) The tenders should be submitted in sealed covers, superscribed "Tenders for Unserviceable Materials", and opened in the presence of all Members of the Auction Committee and Tenderer, who may wish to be present.
- (6) The tenders shall be accompanied with earnest money deposit for items or stores, by way of demand draft drawn in favour of the "Director, IIT Jodhpur". Tender received without Earnest Money Deposit shall not be entertained.
- (7) The tender forms along with the terms and conditions may be obtained from the Office of Stores Purchase as stipulated in Notice Inviting Tender (NIT)/website of the Institute/Central Public Procurement Portal.
- (8) The party whose tender is accepted will be required to deposit the balance amount (after adjustment of earnest money deposit) within a period of five days of the receipt of the order or notification. If the amount is not deposited within the aforesaid period, the acceptance of offer shall stand cancelled and the earnest money forfeited.
- (9) 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 said period, the tenderer shall have no right or claim to the goods and whatever money has been deposited shall be deemed to have been forfeited. The Institute shall be free to dispose of the goods in any other manner as it may deem fit.
- (10) The 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, Members and Member-Secretary of Auction Committee.
- (11) The Institute shall reserve the right to reject all or any tender without assigning any reason. The decision of the Director in this behalf on all other matters relating to the disposal shall be final and binding.
- (12) On receipt of the sale account, the office concerned shall write-off the auction items from the inventory or Asset Register.
- (13) The Member-Secretary of the Auction Committee shall arrange for the handing over of unserviceable materials to the successful tenderer after the deposit of the auction money in the office of Accounts of the Institute.
- (14) In case of any dispute, the jurisdiction of the matter should invariably remain with the courts situated at Jodhpur, Rajasthan.
- (15) The tender should be completed 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 through fax or email will not be accepted.
- (16) Cases not covered in this document will be decided by the Director in the interest of Institute.

17. CHANGES

The contents of this document can be changed with the due approval of the Board of Governors as and when found necessary.



INDIAN INSTITUTE OF TECHNOLOGY JODHPUR
STORES & PURCHASE SECTION

Supplier Registration Form

Firm's Name : _____

Owner's Name : _____

Full Postal Address : 1. _____

PIN _____

2. _____

PIN _____

City:

State:

E-mail address : _____

Website address : _____

Contact Person's Name : _____

Contact No. : Phone No: _____ Mobile No.: _____

Fax No. _____

Sale Tax Registration No. : _____
(Enclosed Xerox Copy)

PAN No. : _____
(Enclosed Xerox Copy)

Shop Act Registration No. : _____
(Enclosed Xerox Copy)

Excise Registration No. : _____
(Enclosed Xerox Copy)

Current Bank Account No. : _____
(Statement of last twelve months should be enclosed)

Manufacture or Supplier : _____

(In case of supplier, please enclose authorization of your
Principal)

List of the organizations to whom the materials have been supplied Item(s) name you want to supply: (Major category) Computer Furniture Chemical Glassware Electronic Liveries Medicines Scientific Equip. Stationery etc.

Signature with Seal

Note: Supplier must print CST/VAT No. /TIN No. /PAN No. / Service Tax No. on their Letter Head/Bill/Quotation

ANNEXURE B



INDIAN INSTITUTE OF TECHNOLOGY JODHPUR
STORES & PURCHASE SECTION

Renewal Registration Form

Registration No. _____.

Firm's Name : _____

Owner's Name : _____

Full Postal Address : 1. _____
 _____ PIN _____
 2. _____
 _____ PIN _____
 City: _____ State: _____

E-mail address : _____

Contact Person's Name : _____

Contact Details : Phone No: _____ Mobile No. _____
 Fax No. _____

TIN No : _____

PAN(Enclosed Xerox copy) : _____

Shop Act Registration No : _____
 (Enclosed Xerox Copy)

Current Bank Account No. : _____

Manufacturer or Supplier : _____
 (In case of supplier please enclose authorization of your Principal)

List of the organizations to which the materials have been supplied Item(s) name you want to supply: (Major category) Computer Furniture Chemical Glassware
 Electronic
 Liveries Medicines Scientific Equip. Stationery etc.

Signature with Seal

Note: Supplier must print CST/VAT No. /TIN No. /PAN No. / Service Tax No. on their Letter Head/Bill/Quotation



INDIAN INSTITUTE OF TECHNOLOGY JODHPUR

Administrative and Fund Approval for Purchases from Grant-in-Aid

Indenter's Name & P.F. No.:

Centre Name:

Name of Equipment with its Specifications:

Cost of Equipment (approximate):

Centre's Budget Head:

Purpose for the Procurement:

Signature of the Indenter

(Recommended by Centre: Coordinator)

(Forwarded by Laboratory Coordinator)

Approved

Competent Financial Authority*

* As per the Financial Sanctioning Powers (clause 4) of 'Norms for Stores and Purchase'

ANNEXURE D

Certificate for Purchasing of Goods without a Quotation or with a Single Quotation (GFR: Rule 145)

"I am personally satisfied that these goods purchased are of the requisite quality and specifications, and are being purchased from a reliable supplier at a reasonable price."

Signature of Purchaser

Certificate for Purchasing of goods by Purchase Committee (GFR: Rule 146)

“Certified that we 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.”

Member 1

Member 2

Member 3

ANNEXURE F

PROPRIETARY CERTIFICATE FORM

I hereby certify to the best of my knowledge and belief that the stores indented are proprietary item of

M/s.
.....

and the requirement of the centre will not be met by any substitute stores due to the following reasons:

1.
2.

This is against purchase indent No..... Dated
.....

Indenter's Signature
Name:
P.F . No.:

Signature of Centre: Coordinator



INDIAN INSTITUTE OF TECHNOLOGY JODHPUR

PURCHASE REQUISITION FORM

To
Officer-in-charge
Store & Purchase Section
IIT Jodhpur

Centre: _____
Centre Indent no.: _____
Indent Date: _____

Quotation Attached (Y/N)

Type of Material		Purchase Order Type	
Consumable		Normal	
Non-Consumable		Repeat Order	
		Rate Contract	

Please tick wherever applicable

Items Details of Required Items:

S. No	Complete Description of Items (Specification, Model, Catalogue No.) Use Separate sheet if required	Quantity Required	Purpose	Unit Price	Total Cost

Budget Details

S. No.	Centre Name/ Project No.	Budget Head	Budget Amount

Suggested Supplier

S. No.	Name	Address

Indenter's Signature _____
Name: _____
PF . No. _____
Email: _____

Recommended
Signature of Centre: Coordinator

ANNEXURE H



INDIAN INSTITUTE OF TECHNOLOGY JODHPUR

Purchase Requisition Form for Import Items

Centre Name: _____ Centre Indent No.. _____ & Date _____

Indenter's Name: _____ P.F. No.: _____ Tel. No.: _____

Mode of Shipment: Air / Sea

Type of Material: Non-Consumable / Consumable

Particulars of Goods Requested For Import:

S.N O.	Particulars/Description of the Items as given in Quotation/Invoice of the Supplier (<i>USE CAPITAL LETTERS</i>)	Qty.	Country of Import	Value in Foreign Currency	Value in Indian Rupees (INR)
Total value (Ex-works)					
Discount, if any					
Packing & Forwarding Charges					
Total Value (FoB)					
Other details/charges if any					

Supplier's Full Address
(IN CAPITAL LETTERS)Local Agent's Full Address
(IN CAPITAL LETTERS)

Indenter's Signature _____

Name: _____

P.F. No. _____

Recommended

Signature of Centre: Coordinator

Enclosures :-

1. proforma invoice valid for _____ days .
2. list of goods
3. End User Certificate, 4. NMIC
5. Check list duly signed.

END-USER CERTIFICATE

The following items _____ against the Indent No. _____ dated _____ are required for doing Lab and research work in the Center: _____ of IIT Jodhpur.

These items are specialized items and cannot be obtained locally. These items will be used at Center: _____ in our Institution for the purpose of Academic / Teaching / Research work only.

Indenter's Signature

Name:

P.F . No.:

Signature of Centre: Coordinator

**NON MANUFACTURE IN INDIA CERTIFICATE
(N.M.I.C.)**

To the best of my knowledge, the required items _____, as per indent no. _____ dated _____ are not manufactured in India and its equivalent substitute is also not available in India, which can serve our purpose.

Indenter's Signature

Name:

P.F . No.:

Signature of Centre: Coordinator

CHECK LIST

PLEASE ANSWER YES/NO.

Indent No.....

1.	Whether budget provision is clearly mentioned /approved for budgetary control.	
2.	Whether indent is approved by competent authority.	
3.	Whether the Quotation has been signed by the Committee members.	
4.	Whether certificate relating to NMIC (Non manufacturing in India) is attached	
5.	Whether proper justification given when single offer (quotation) is considered	
6.	Whether valid authorization letter from Principal Supplier in favour of Indian Agent attached	
7.	Whether Agency Commission has been specifically mentioned which is to be paid in Indian Currency	
8.	Whether the guarantee period of equipment has been specified	
9.	Whether the quotation is valid for days from the date of issue	
10.	Whether quotation value is in Foreign Currency	

Indenter's Signature

Signature of Centre: Coordinator

Name:

P.F . No.:

(For Office Use Only)

.....
.....
.....
.....

Dealing Assistant (S&P)

ANNEXURE I

Certificate for maintaining a Stock Register

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

Signature of Officer-in-charge
Date:



INDIAN INSTITUTE OF TECHNOLOGY JODHPUR

TRANSFER NOTE (For Non-Consumables / Furniture)

No. _____

Date: _____

Sl. No.	Description of Stores	Quantity Transferred	From Whom Received	Ref. P.O. No. & Date of Receipt	Reason of Transfer	Recipient's Ledger Folio No.	Remarks of SPS
	1	2	3	4	5	6	7

Signature of C: Centre: (Transferer)

Approved

Signature of C: Centre: (Transferee)

Handed over by Taken over by

Director

- Note: 1. This form should be filled in the triplicate form, col. 1 to 6 by the transferer Centre.
 2. After obtaining Director's approval, the 7th col. and taking certificate be got signed by the transferee Centre.
 3. Original copy to be sent to central store, duplicate for transferee Centre and triplicate copy for the transferer Centre.