

**PURCHASE POLICY AND PROCEDURE**

**OF**

**ASSAM DOWN TOWN UNIVERSITY**

**SUBMITTED BY**

**DEPARTMENT OF QUALITY & PROCESS**

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## **ANNEXURES :**

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# **Purchase Policy and procedure of AdtU:**

## **Introduction:**

The purchase policy of AdtU incorporates a uniform, systematic, efficient and cost effective procedure to be followed for purchasing various types of goods & services to discharge the duties and responsibilities in accordance with the vision & mission of the organization.

Purchase policy mission is to support the University's educational, administrative and environmental needs by assisting the faculty & staff to obtain quality product and services at the lowest possible cost and within specified period of time.

It is the prerequisite to make our own arrangement for procurement of goods and services under delegation of financial power and procedure which have to be exercised in conformity with the guidelines issued by competent authority.

As such it spelt out the functions of different departments& sections and committees connected with the process of purchase.

## **Principles:**

The authority having financial powers is accountable for efficiency, economy and transparency in matters relating to purchase. It should give equal treatment to the suppliers. The procedure to be follow covers the following.

1. The specification of items including the specific features of the items to be purchased should be clearly defined to meet the requirement.
2. Before making the purchase the competent authority should satisfy itself with respect to the price & quality of the items offered.
3. The authority should place on record the factors considered while taking the purchase decisions.

## **Competent authority to purchase goods & services and their functions:**

There shall be a purchase and store dept. headed by purchase and stores officers to deal with the procurement of required items and monitor their distribution among various indenting dept. The purchase officers will work under the overall supervision of the purchase committee.

## **Functions, responsibilities of Purchase and Stores Branches**

### **Purchase Branch**

Verification and scrutiny of indent received from various department/sections.4

1. Consolidations of requirement of various departments/sections of the University/ takes steps for installation and commissioning.
2. Preparation of purchase order and get approval from the competent authority and placing purchase order.
3. Prepare documents and records with respect to procurement budget etc. Maintain purchase order register.
4. Review of pending purchase order and follow up.
5. Reconciliation of expenditure in consultation with the finance department.

### **Stores Branch**

1. Maintenance of Store Records viz., Register of Assets.
2. Distribution of goods purchased to the Indenting Departments.
3. Annual physical verification of assets of the University with the records of user Departments and submission of report to the Vice-Chancellor on the result of such Verification.

### **Functions and responsibility of Purchase committee:**

#### **1. Role/ Function:**

1. Approve the list of supplier item wise identified by dept. of Purchase & Store in accordance with Central Purchase Organization (GOI) and register them as limited tender supplier.
2. Approve the list of supplier prepared by the University authority/ Purchase dept. which can be considered as limited tender suppliers.
3. Approve advance payment to the supplier after verification of proposal submitted by Purchase dept.
4. Verification scrutiny and approval of Purchase proposal submitted by Purchase dept.
5. Approve purchase of items based on limited tender.
6. Approve declaration of obsolete items and disposal of surplus i.e. unserviceable and obsolete items.
7. Periodically review the performance of the approved supplier.
8. Delegate financial powers among officers of the University for Procurement of goods.
9. Facilitate & guide the purchase dept. to maintain uninterrupted flow of materials to support the development schedule.
10. To ensure procurement of items at a cost consistent with quality & provision of after sales services.
11. To maintain good rapport with the vendors.
12. To form Tender evaluation committee and determine their function as and when required & supervise their functioning.
13. Interpret and relax the purchase rules as per suitability.
14. To discharge any other function as assigned by the competent authority.

2. **Frequency:** The Committee meets every Saturday in a month on regular basis.

3. **Quorum:** The quorum for meetings shall be five.

### **Registration of suppliers:**

1. The list of eligible suppliers prepared by central purchase organization of government of India may be adopted and considered as registered suppliers. Such registered suppliers can be considered for procurement of goods through limited tender. These suppliers are generally exempted from furnishing bid security.
2. AdtU may have their own registered suppliers list of goods which are required from time to time.
3. For obtaining such registration the firms shall be required to be registered with Sales Tax Office and should have Service Tax Registration, Tax payer identification No (TIN) and PAN number allotted to them.
4. The credential of the suppliers should be verified prior to registration.
5. The registered suppliers list may be renewed every year by the competent authority.
6. Failure to abide by the agreed terms and conditions would lead to cancelation of registration.

### **Delegation of Power:**

#### **GB representative**

The GB representative is empowered to purchase goods without quotation up to a limit of 50000/- (rupees fifty thousand) only.

Regarding Administrative and financial powers of the officers of University for procurement of different categories of furnisher/ stationery equipment etc. The following procedure may be followed –

#### **Purchase Officer**

The purchase officer may be allowed to incur expenditure on purchase of items for day to day requirement of value not exceeding rupees 10000/- (rupees ten thousand) only for which a petty cash of rupees 10000/- may be maintained by the purchase officer. After the purchase, the purchase officer should regularize the purchase by following laid down procedure and approval of the competent authority. The purchase officer should submit the account of this petty cash to FAO every month.

#### **Registrar**

For repeat purchase up to an amount of Rs 50000/- (rupees fifty thousand) on specific items, can be approved by registrar/ deputy registrar/ registrar in-charge. For this, a master file will be available with the purchase branch which has to be maintained by the purchase officer.

#### **Vice chancellor**

The Vice chancellor who is the chairperson of the purchase committee will exercise full powers with respect to all items of purchase excluding **construction and other**

**civil works** which is the prerogative of the representative of the governing body specially assigned for the purpose.

**Stages of Procurement:**

There are different stages in the process of procurement of materials for the University.

- a) Budget provision.
- b) Keeping in view the budget provision priority should be maintained based on requirement.
- c) Indent should be placed by the concerned dept. head and other officials only after verification of stock and ascertaining non availability.
- d) On receipt of indent proper scrutiny to be undertaken by the purchase department as per the checklist enclosed with respect to the details mentioned under 7.0.2.
- e) NIT / quotations and processing of tender papers by the purchase Department.
- f) Evaluation of the tenders by the evaluation committee formed for the purpose.
- g) Submission of the papers to the purchase committee/ competent authority for sanction.
- h) Placement of Purchase orders.
- i) Receipt of supplies of goods and inspection of goods to ascertain compliance of specifications.
- j) Issue of the indented goods to the user departments after recording in the issue registrar.

**7.0.1 Finding the Budget:**

Based on the requirement vis a vis the budget provision the indents must be categorized as “urgent” and “planned”, accordingly orders should be placed.

**7.0.2 Placing of the indent by the Head of the Department / other officials:**

The following details must be incorporated along with the indent.

- a) Description of the item along with its use and specifications including whether the requirement is fresh/additional/replacement.
- b) The estimated cost of the item and last purchase price if any.
- c) In case of project the list of vendors, their addresses if any.
- d) If the item is of proprietary nature and has to be bought from known source a certificate should be given to that effect which has to be approved by the competent authority.
- e) Budget provision should be shown against specific project/scheme.
- f) In case of replacement item, the proposal of buyback, if any, applicable should be clearly specified by the Indenting authority.
- g) In cases of proposals for civil and electrical works, involvement of the concerned technical person/ is compulsory for the purpose of technical specifications and supervision.

### **7.0.3 Indents**

1. Purchase section should not accept indents, which are faulty or incomplete and return such indents to the person who places the indent within two working days.
2. Purchase officer may help the person who places the indent to raise the indent in the correct manner by providing the required inputs.

### **7.0.4 Sanction for Purchase**

After the vetting of the indent the Purchase Officer shall move a file for purchase of the said item/service to the purchase committee through the registrar.

Excluding repeat purchase within Rs 50000(rupees fifty thousand); the registrar shall move the file to the purchase committee/ VC for approval.

After the approval of the purchase committee headed by the Vice chancellor the file shall be sent to the Finance section for further action.

If any of the items purchased thereafter exceeds the sanction of the VC, fresh sanction of the VC must be taken.

### **Modus of Procurement**

#### **Items of office consumption**

In case of purchase of goods of office consumption up to Rs.10, 000 the Purchase Officer at the discretion and necessary certification of a sub Committee, constituted for the purpose can purchase such items directly. However, reasonableness of the rates, quality, specifications etc., shall be certified by the sub Committee.

However at no time the supply orders shall be split under any circumstances with the objective of circumventing the limit of Rs.10000(rupees ten thousand).

For the purpose of ensuring strict compliance of the objective, the estimated cost of all the indents from various departments on hand have to be considered both for planned procurement and urgent procurement.

#### **Office Equipment's**

In case of purchase of items of office consumption valuing beyond Rs. 10000(rupees ten thousand), the procedure of procurement as mentioned under 7.0.6 should be followed.

### **7.0.6 Modus of calling for quotations / tenders**

The Purchase Section must select after deliberation one of the following modes of procurement:

- a) **Open tender:** by advertising in the press.
- b) **Limited tender:** by sending written enquiries to known, reputed suppliers.
- c) **Single tender:** by sending written enquiries to a single supplier if it is in the knowledge of the person who places the indent that the stores/equipment required is manufactured only by that supplier and none else.



**7.0.7** The open tender method shall normally be followed for all procurement worth more than Rupees 1 (one) lakhs. Splitting of indents, in order to bring it outside the ambit of open tender method is strictly prohibited.

**7.0.8** Notice inviting tenders shall be given in at least in two largest circulated local / national dailies for procurement worth rupees one lakh and above. The local dailies should be one English.

**7.0.9** The notice inviting tenders shall be short, clearly worded and unambiguous. It should give a brief description of the item/ equipment to be procured, the qualification requirement for the supplier, the last date up to which tender papers shall be supplied, the date of receipt of completed tenders, the date, time and venue of opening of tenders.

Detailed technical specifications should not be given in the notice at all; they should only be given along with the tender papers. In addition, the notice can be put in the website of the university and or other dedicated websites for such purposes.

**7.0.10** Limited tender method shall normally be followed in all procurements worth Rupees more than one lakhs.

**IF:**

a) The Indenting Officer certifies that the demand is urgent and any additional expenditure incurred through open advertisement shall not be fruitful. **Such 'urgency' should have prior approval of competent authority.**

AND

b) When the sources of supply are definitely known and the possibility of fresh sources of supply being available is remote.

AND

c) And it is not in public interest to adopt the open tender method

**7.0.11** In all such cases, the invitation to bids must be sent to parties of comparable reputation and market share.

**7.0.12** A minimum of three quotations have to be obtained from registered dealers. If the procurement is for branded products, a minimum of three quotations for each brand from different registered dealers should be obtained. In no case, single quotation shall be accepted for comparison of price by the Purchase Committee.

**7.0.13** Single tender method shall be followed only in rare cases where it is in the sure knowledge of both the purchase committee and the person who places the indent that the equipment to be procured is manufactured only by a particular manufacturer and there is no other option for the University except to go in for this equipment.

**7.0.14** The following minimum time limit may be allowed to the bidders so that they can quote their best possible prices:

i) Limited tender Three weeks.

- ii) Open tender Four weeks.
- iii) Global tender Six weeks.

However, in case of urgency, the time period can be reduced but proper justification for the same has to be furnished and accepted by the Purchase Committee.

#### **7.0.15 Tender documents and EMD**

The tender documents which comprise the detailed technical specifications, conditions of contract, the format in which the tender is to be submitted and such other material as may be sold at the following rates for open tenders.

Estimated value Cost

Rs. 1 lakh to Rs. 5 lakhs Rs. 500.00

Rs. 5 lakhs to Rs.10 lakhs Rs. 1,000.00

Rs. 10 lakhs to Rs. 50 lakhs Rs.5,000.00

Rs. 50 lakhs and above Rs. 10,000.00

These rates are exclusive of postage / courier charges and sales tax, if any, levied by the Government.

The tender document for purchase of equipment must include a clause that the successful bidder shall furnish an unconditional Performance bank Guarantee valid till 60 days after the warranty period from a scheduled bank for 10% or higher if decided by the Competent authority of the order value within 15 days of the placement of order for orders where full payment is to be made on delivery, failing which the contract shall be deemed as terminated. In cases where part payment is made on delivery & part on installation, the performance BG shall be asked for at the time of release of final payment. In rare cases where goods have been procured on proprietary basis etc. the matter of non-furnishing of performance Guarantee, if any, may be brought to the notice of the competent authority for his decision.

The EMD shall always be collected by DD or bankers Cheque or bank guarantee. The EMD of unsuccessful bidders shall be returned within 15 days of the award of the contract. All tenders received without EMD shall be summarily rejected.

#### **7.0.16 Receipt of Tenders**

1. Tenders are received either through post or through courier or by hand. The tenders shall be dropped in the tender box, which shall remain Locked, sealed and its keys with the Purchase officer.
2. If a tender, received in a cover without any superscription about its contents, is opened by any official receiving it, he shall himself mark on the cover the tender number and the date of its receipt and the date of its opening and shall sign it and cause it to be delivered to the purchase officer before the opening date.

### **7.0.17 Late / Delayed Tenders**

Tenders received after the specified time and date of opening are treated as "Late" while tenders received after the last date specified for receipt of tender but before the date of opening of the tender are treated as "Delayed".

Such tenders shall be marked as late/delayed as the case may be and filed. They shall not be opened at all and be returned to the bidders in their original envelope without opening.

### **7.0.18 Postponement of the tender opening date**

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

In case where the response to limited tender method in respect of materials costing more than Rs. 1.00 lakh is poor (if the response is only from two or less bidders, it is considered poor), then open tender method shall be resorted to. The bidders who responded to the limited tender enquiry must be informed that their tenders shall also be considered along with the tenders received through open enquiry. If a decision is taken to change the specification to make it broad-based, the bidders who had responded to limited enquiry shall be asked to bid again as per the revised specifications. Any exception to this should have the approval of the Vice-Chancellor.

### **7.0.19 Opening of the Tenders**

The tenders shall be opened by the Purchase committee / or a specific committee constituted for the purpose by the purchase committee. Separate notice of opening of the tender need to be sent to the bidders before opening of the commercial bid. Opening of the tenders without informing the bidders is strictly prohibited for the limited & open tendering process.

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

- a) Tender number
- b) Name of the firm
- c) Description of the item to be purchased
- d) Price
- e) Whether the price is inclusive of taxes & duties or exclusive
- f) Discount offered.
- g) Delivery Schedule.
- h) Any other extra charges quoted for packing, transport etc.
- i) Terms of delivery
- j) Warranty obligations.
- k) All the pages of the tender have to be initialed by the tender opening committee.

Alterations / corrections in the tenders should be initialed legibly by the officers opening the tender and dated. A similar procedure shall be followed wherever any erasing / cutting are observed.

l) 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 tender opening committee shall endorse this. In addition, a list of the representatives of the bidders present at the time of opening shall be prepared who shall write their name and the bidder they represent under their signature.

m) 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.

#### **7.0.20 Evaluation of the Tenders**

1. A neat comparative statement of the tenders opened shall be caused to be made by the Purchase section. It shall contain details like rate, delivery schedule, make, taxes etc. and finally the quoted price. The final landing cost of Purchase after all discounts, taxes must be mentioned on the comparative statement for indigenous items. Where there is no mention of packing, forwarding, freight, insurance charges, such offers shall be rejected as incomplete.

This condition must be indicated in bold letters in the tender document/ enquiry itself.

The comparative statement shall be without any cuts and erasers and shall neatly give the quoted price both in figures and in words.

2. After the order is placed separate photocopies of the comparative statement may be taken and kept in a presentable form to be produced on demand by audit.

3. Evaluation of tenders must be done in a scientific and logical manner. It is not always necessary that the lowest quoted price shall finally emerge as the lowest evaluated price. It may be that the lowest bidder has not quoted according to the specifications and has left out certain items asked for. His bid eventually may not even be responsive. Thus evaluation of tenders is a serious exercise which should not be done mechanically.

Wherever feasible the Purchase Committee or a committee earmarked for the purpose should examine the samples of materials/goods proposed to be examined and a suitable recording should be made in the minutes to the extent that the sample material/goods have been examined and satisfied with the quality and specifications. In case of purchase of equipment and other goods whose samples cannot be examined at the University, the Committee members at their discretion should visit the suppliers place to examine the equipment and record the findings in the Committee minutes. If the Purchase Committee is of the opinion that such an examination is not necessary, the same shall be recorded in the Purchase Committee minutes.

The Purchase Committee should also refer to the records of Purchase Department of the University and other documentary proof submitted by the Tenderer to determine the past performance of the supplier while evaluating the tenders and a suitable recording should be indicated in the minutes of the purchase committee.

5. Conditional tenders shall not be accepted.

7. The evaluation report shall clearly bring out the

- a) Technical acceptability of the offer
- b) Reasonability of the price quoted
- c) Reasonability of the delivery period offered.

8. No tender shall be technically rejected on flimsy grounds or on such vague grounds as unsatisfactory service during earlier purchases without providing any documentary proof.

The reasonability of the price quoted can only be arrived at by making formal inquiries with other clients who have made similar purchases and by taking into account last purchase price. **It must be borne in mind that the margin of profit in scientific equipment is usually large and hence there is considerable scope for negotiation with the lowest bidder.**

**Negotiations must only be done with the lowest bidder wherever necessary.**

#### **9. Separate evaluations of technical and financial bids**

10. All equipment's costing more than 1.00 lakh 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 specifications with EMD and financial bids in two separate sealed envelopes.

The technical bids are opened first and analyzed for acceptability either by the Purchase Committee or by a separate Technical Committee.

The tenderers could also be called for discussion and could also be allowed to modify their technical bids to suit the organizations requirement. The idea is to arrive at a threshold level of acceptability above which all the bidders shall be treated on par.

Those whose technical specifications do not reach the threshold level of acceptability shall be rejected as technically unsuitable.

11) 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.

#### **7.0.21 Audit of Purchase Proposals**

The finance member of the Purchase Committee shall ensure that all the financial parameters are fully complied with before according his concurrence.

#### **7.0.22 Placement of order**

Once the purchase proposal is approved and the competent authority accords the expenditure sanction, the Purchase Officer shall prepare the purchase order and arrange it to send it to the vendor. The purchase order shall contain the make and model of the item with description, rate, and 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 etc.. Suitable clauses like Option clause for repeat order, Arbitration Clause, force majeure Clause and Liquidated damage Clause etc. may be incorporated in the supply order wherever applicable. 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 for equipment's shall be dispatched to the vendor in two copies with an instruction that the vendor has to return one copy duly signed as a token of the acceptance of the order. In case the order confirmation is not received within twenty one 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 tender document etc. The copies of orders shall be distributed to Stores, Indenting division and Finance (along with a copy of the sanction memo) as soon as the orders are placed.

#### **7.0.23 Buy-back purchases**

Buy-back of items like Computers, Scanners, Servers, laptops, LCD Projectors, Printers, Photocopiers, Faxes, Refrigerators and the like of five-year vintage or more can be made subject to the following conditions.

- a) The approval of the competent authority for declaring the item as obsolete etc. has to be obtained
- b) Prices be obtained from various bidders as per Para 11.0.0 and the bids should clearly mention that the offer is under buy-back scheme and the buy-back price be mentioned separately.
- c) Once the purchase is completed, the original value of the item is written off from the books of the respective labs/Departments/Section/Projects and Purchase Department.

#### **8.0.0 Purchase Order Register**

The Purchase Order so placed should be serially numbered with new serial number being allotted from April to March every year.

Maintenance of a Purchase Order Register is mandatory. A review of pending purchase orders should be made periodically and necessary follow up action taken with the firms concerned for expediting the supplies.

The Register should be submitted with a closing as indicated below to the Registrar on 5th of every month and to the Vice-Chancellor once in six months i.e., 6th January and 6th July every year. The register should be closed to the end 25th of previous month to the closing date.

Opening Balance : XXXX (A)

Purchase Orders issued

From ..... to ..... : XXXX (B)

Total (A+B) : XXXX (C)

Supplies received : XXXX (D)

Closing Balance (C-D) : XXXX (E)

PO Details	Brief details of supply	Dept.	Reasons for delay in supply	Action taken by Purchase Officer
1	2	3	4	5

### **9.0.0 Follow up of Purchase orders/Delivery period**

Once order has been placed, it is the duty of Purchase Officer to ensure that the vendors supply what has been ordered in time. He shall continuously be in touch with the person who places the indent department and in the event of the material not being received in time; he shall contact the vendor immediately and ensure that the material is received as quickly as possible. He shall also keep a list of vendors who are habitual defaulters and who supply sub-standard material, in order that prompt action is taken to blacklist such vendors. As mentioned earlier the order confirmation to be given by the supplier within 21 days. However the delivery period of local items is maximum 30 days. In case of exceptional items where the items has to be procured by the supplier from outside the state the delivery period may be extended to 75 days.

### **10.0.0 Payments**

A copy of the purchase order/work order/service order may be sent to concerned Department, Finance, Administration and Internal Audit Department so that while admitting the bill for payment, they may be linked with the P.O. and make an endorsement as paid & cancelled. The unpaid P.O.s will be reviewed at the end of 31st March and report given to Accounts Section quantifying the outstanding to account for them as O/S Liabilities in the Balance Sheet.

In case of payment towards civil works if any ordered payment will only be made after necessary record measurement by Campus Development.

### **11.0.0 Receipt of materials**

On receipt of the equipment etc., the Stores Department shall take steps for installation and commissioning. Upon satisfactory commissioning, suitable entries in the Assets Registers (in respect of durable and long life items) or in the Stock Register (in respect of consumable items) shall be made. These details are required to be noted on the back side of the invoice / bill with proper attestation bearing full signature with date and stamp.

For this purpose, Stores Section as well as all Sections of the Departments of the University should maintain an Assets Register (in respect of durable and long life items) or in the Stock Register (in respect of consumable items).

#### **11.0.1 Inspection of the materials**

The person who places the indent 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 division should ensure completion of inspection within ten days of receipt of advice from the stores. For imported equipment's 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.

Failure to inspect the material within the time schedule shall make the person who places the indent and the concerned Project leader responsible for the loss.

Once the inspection is complete and the person who places the indent certifies the inspection report, Stores should ensure that the bill containing the stock entry reference and copy of the inspection report is sent to Purchase within three working days after the inspection is over. The

Purchase wing shall send the same directly to accounts within four working days for payment and then the accounts must arrange payment to the vendor within five 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 Purchase committee for appropriate decision.

### **12.0.0 Advance Payments**

While the normal mode of payment is 100% within 30 days after receipt and acceptance of materials in good condition (within 30 days after satisfactorily installation & commissioning of equipment), there may be occasions when a reputed supplier insists on advance payment. In all such cases, the PURCHASE COMMITTEE concerned shall decide on a case to case basis what percentage of payment could be made to the vendor in advance against equivalent bank guarantee from a scheduled bank.

In no case shall the advance payment thus made exceed 50% of the price. The remaining percentage shall be released only after receipt and acceptance of material in good condition or after satisfactorily installation and commissioning of the equipment.

There may also be cases when payment against delivery which is commonly in practice for smaller value items and with traders who supply against cash / cheque. This payment against delivery is much safer than payment through bank against documents as material itself is received against payment instead of documents. Such terms should be allowed.

However, the purchase officer should ensure that the material is inspected and found acceptable as per requirement

In case of Annual maintenance contracts/ repairs, advance payment sufficient to cover one-year AMC charges can be allowed by the sanctioning authority. In cases where the AMC payment is for more than a year specific approval of the PURCHASE COMMITTEE shall be obtained.

Any other payment terms can be accepted in exceptional cases on the approval of Vice Chancellor with concurrence of Finance.

### **13.0.0 Executing an Agreement**

An agreement should always be entered into with the suppliers while placing orders for purchase of costly equipment/services for a year (value exceeding ` .2.00 lakhs) incorporating therein the following clauses:



- a) Value of purchase, basic price, taxes and duties and discount
- b) Mode of delivery
- c) Cost of transportation and transit insurance
- d) Mode of payment
- e) Time schedule for supply
- f) Interest/penalty if any chargeable for belated supplies
- g) Arrangements for inspection and testing
- h) Arrangements for installation
- i) Guarantee/Warranty period
- j) Arrangements for servicing/calibration/maintenance
- k) Arrangements for training of personnel
- l) Maintenance and supply of spares
- m) Security Deposit/Bank guarantee, if any, required
- n) Failure to comply with the agreement terms - payment of compensation to the University.
- o) Technical specification as given in the Purchase Order.
- p) Arbitration Clause.

#### **14.0.0 Disposal of Surplus Goods**

With the passage of time, many of the goods purchased by the University become unserviceable or obsolete. Such goods are classified as surplus goods. The Stores Section conduct review of the existing stock and stores every year and should dispose of such surplus goods in consultation with the concerned HOD/Sections at the earliest, to avoid unnecessary inventory carrying cost, decrease in resale price of those goods etc.

Detailed comprehensive instructions for disposal of surplus goods are available under Rules 196 to 202 of General Financial Rules, 2005, as provided under Annexure 13 of this manual. The University shall follow the same for this purpose.

#### **15.0.0 Computerization Purchase records**

The University shall computerize all the areas of purchase management to the maximum extent possible and develop a suitable package for this purpose through a competent IT firm. This will ultimately result in better efficiency, more speed in performing the duties and, also, reduction in the overall expenditure.

**16.0.0** The above procedure shall supersede the existing purchase policy. In respect of areas, which are not covered in the above purchase policy & procedure, the provisions contained in the General Financial Rules-2005 of Govt. of India shall be operative.

**17.0.0 Power to interpret and relax the rules**

- 1) In case of any doubt on the interpretation of this procedure or any suggestion for improvement, the matter can be referred to the Vice-Chancellor.
- 2) The Board of Management or the Vice Chancellor of the University is authorized to relax any provision(s) contained in the Manual in exceptional cases with reasons to be recorded for such exemption or relaxation.

**Annexure-**

**Different check list/schedules to be used are adopted from GFR and enclosed herewith as ANNEXURE**

# ANNEXURES

## Annexure-1 Purchase Proposal (Indigenous or imported)

1.	Name and Status of the Proposer / Originator / User	
2.(a)	Name of the goods or equipment or consumable	
(b)	Make & Model No.	
	Technical specifications applicable	
(c)	Name of the Manufacturer (country of origin, in case of imported items)	
(d)	Name of the Manufacturer or Supplier from who purchase is to be made.	
(e)	To whom Purchase Order is to be addressed and to whom to be handed over	
3.	Notice of Inviting Quotation/Tender.	Enclosed in File at page No
4.	Copy of "In Principle Approval" accorded by the Competent Authority, if any.	Enclosed in File at page No
5.	Details of the Budget Head (Plan / Non-Plan / Projects)	
6.	Name of the Project, wherever applicable	
7.	7. Justification for acquisition of the item	
7.(a)	Without the item how the work was being carried out	
7.(b)	Whether the proposal is for replacement of the existing item.	
	If replacement of the existing item is proposed, Working condition of the existing item, any buy back arrangement is available.	
8.	Whether prescribed purchase procedure has been followed i.e. :	
(a)	By Advertisement (open tendering systems) for the purchase value of Rs. 1.00 lakh and above	
(b)	Whether tender notice placed on website and the name of the website published in leading newspapers.	
(c)	Whether soft copies of the website records are maintained	
(d)	Whether limited tender is called for from the original equipment manufacturer / principal /reputed regular dealers as per the list of vendors enlisted by the University	

(e)	Wherever an agent is quoting on behalf of the principal, whether authorization letter has been obtained from the principal	
(f)	Whether 3 quotations obtained	
(g)	In case of single tender / quotation purchase, whether adequate justification and documentation in support of the same has been furnished	
9.(a)	Whether the items are proprietary in nature Details to be given.	
(b)	Whether a certificate to the effect that “no other company is manufacturing the product and this is the only company manufacturing the product” is attached in respect of proprietary item	
10.	Details of Quotations:	
(a)	No. of firms called	
(b)	No. of firms responded > No. of firms quoted >	
(c)	No. of firms regretted	
(d)	No. of firms which did not respond	
11.	Whether comparative statement(s) has been enclosed duly authenticated by the originator	
12.(a)	Whether the lowest quotation has been selected	
(b)	If not, brief justification for not selecting the lowest quotation	
13.	Cost Details: (after negotiation) Imported Foreign Currency INR	Foreign
(a)	FOB	Cost
(b)	Freight	Transport
(c)	Insurance	Insurance
(d)	Packing	Packing
(e)	CIF Value	Any other charges
(f)	Customs Duty	Central Excise Duty (If particulars are available)
(g)	Clearing Charges	Other Duties/Taxes
(h)	Total Cost	Total
14.	Time of Payment:	
(a)	Advance Payment (please refer to Purchase Policy)	
(b)	After delivery / installation / final acceptance	
15.	Warranty:	
(a)	(a) Period:	
(b)	Whether Comprehensive	
16.	Delivery Period	

17.	Details of after sales service	
18.	In case of payment through LETTER OF CREDIT, value thereof in both the currencies	
19.	Deviations from the prescribed purchase policy & procedure, if any. Justification to be given.	
20.	Any other details or comments	

Signature and Name of the proposer

JUSTIFICATION / NEED FOR THE PURCHASE OF THIS EQUIPMENT /CONSUMABLE +  
JUSTIFICATION FOR SELECTING / PREFERING THIS MANUFACTURER / SUPPLIER.

Recommendations of the Purchase Committee:

- |    |    |
|----|----|
| 1. | 4. |
| 2. | 5. |
| 3. | 6. |

## Annexure-2

### Format to be used by Finance & Accounts for the purpose of scrutiny of Purchase Proposal

1.	Budget Head	
2.	Funds Position	
(a)	Budget Allocation	
(b)	Financial Year to which it pertains	
(c)	Booked expenditure till date (Excluding the proposal on hand)	
(d)	Committed expenditure, if any	
(e)	Balance available as on date of the present Proposal	
3.	Financial Details of the Purchase Proposal:	
(a)	Ref. to Proposer's Letter No. / Date calling for quotation.	
(b)	Name & address of the company / supplier whose quotation has been accepted.	
(c)	Ref.No. & date of accepted quotation	
(d)	Discount if any (after negotiation)	
(e)	Cost of packing & forwarding (by the Supplier)	
(f)	Cost of Insurance / Air or Ocean Freight (i) whether to be arranged by ADTU. If yes, approximate expenditure OR ii) whether to be arranged by the Manufacturer / Supplier. If yes, then mention the amount that has been exhibited in the quotation or invoice	
(g)	Excise Duty or Customs Duty (Exemption to the extent available / is required to be availed)	
(h)	Service Tax	
(i)	GST / VAT / SALES TAX (Exemption to the extent available / is required to be availed)	
(j)	Any other charges (specify)	
(k)	Total Cost	
4.	Whether this item is committed or a fresh expenditure item	
5.	Whether L1 accepted or. If not, reasons for the same	
6.	Any Other Observation or objection regarding the Proposal	
7.	Whether the proposal is in order and can be recommended for sanction? If not on which item(s). Compliance from the user proposer is required.	

The above proposal is recommended for sanction subject to the conditions that the purchase order should contain the liquidated damages clause.

**VC**

**Registrar**

**PO**

**FAO**

## Annexure-3

### PERFORMANCE BANK GUARANTEE

1. WHEREAS M/s ....., having its registered office at ..... hereinafter called the Distributor in India for .....  
....., herein after called "The supplier" for the supply of .....  
....., in consideration of the AdtU P.O. No AdtU/.....dated..... placed an order for the due fulfillment by the said supplier of the terms and conditions in the purchase order, on production of a Bank Guarantee for Rs.....(Rupees .....only). We ..... Bank, (herein after referred to as "the Bank") at the request of supplier do hereby undertake to pay to the ADTU an amount not exceeding to Rs..... (Rupees.....only).
2. We .....Bank do hereby undertake to pay ADTU, the amounts due and payable under this guarantee without any demur, merely on a demand from ADTU stating that the amount claimed is required to meet the recoveries due or likely to be due from the said supplier. Any such demand made on the Bank shall be conclusive as regards the amount due and payable by the Bank under the guarantee. However, our liability under this guarantee shall be restricted to an amount not exceeding Rs..... (Rupees ..... only)
3. We undertake to pay to the ADTU any money so demanded notwithstanding any dispute or disputes raised by the supplier in any suit or proceeding pending before any court or Tribunal relating thereto, our liability under this present being absolute and unequivocal. The payment so made by us under this bond shall be valid and discharge of our liability for payment there under and the Supplier shall have no claim against us for making such payment.
4. We the .....Bank further agree that the guarantee herein contained shall remain in full force and affect during the period that would be taken for the performance of the said Agreement and that it shall continue to be enforceable till all the dues of the ADTU under or by virtue of the said Agreement have been fully paid and its claims satisfied or discharged or till Registrar on behalf of the ADTU certified that the terms and conditions of the said Agreement have been fully and properly carried out by the said .....and accordingly discharges this guarantee.
5. We, the ..... Bank further agree that the ADTU shall have the fullest liberty without our consent and without affecting in any manner our obligations here under to vary any of the terms and conditions of the said Purchase Order or to extend the time of performance by the said contractor from time to time or to postpone for any time or from time to time any of the powers exercisable by the AdtU against the said supplier and to forbear or enforce any of the Terms and Conditions relating to the

said agreement and we shall not be relieved from our liability by reason of any such variation or extension being granted to the said supplier or for any forbearance act or omission on the part of the AdtU or any indulgence by the ADTU to the said supplier or by any such matter or thing whatsoever which under the law relating to sureties would but for this provision have effect of so relieving us.

6. This guarantee will not be discharged due to change in the constitution of the bank or the supplier.
7. We, the ..... Bank lastly undertakes not to revoke this guarantee except with the previous consent of the ADTU in writing.
8. This guarantee shall be valid up to ..... unless extended on demand by ADTU Notwithstanding anything mentioned above, our liability against this guarantee is restricted to Rs...../- (Rupees ..... only). Not with standing anything contained herein
  - 1.Our liability under this bank guarantee shall not exceed Rs...../- (Rupees ..... only)
  - 2.Bank guarantee shall be valid up to .....
  - 3.We are liable to pay the guaranteed amount or part thereof under this bank guarantee Only and only if you serve upon us a written claim or demand on or before .....

Dated:

Signature & Seal of the Bank

Note: The above format contains specific clauses and expressions. These clauses and expressions can vary depending upon the nature / type of agreement and situation. Basic aspect to be kept in mind is that interest of ADTU is fully protected.



## Annexure-4

### **Preformat of Agreement to be entered into with foreign manufacturer / supplier for purchases directly made from the foreign manufacturer / supplier**

Contract for supply of\*.....

Vide Quotation Ref:

An agreement made on this ..... day of ..... between the AdtU and M/s. .... hereinafter called the “foreign manufacturer/ supplier”), which expression shall, wherever the context so admits or implies include the representatives, executives, administrators, successors or assigns of the ONE part, and the University’s Authorized Officers, successors or assigns of the OTHER part.

WHEREAS the University is desirous of purchasing and installing \* ..... at the premises of the University as per the technical specifications mentioned in the P.O. No..... Date ..... for the sum of ..... (FOB price) subject to the conditions herein set forth.

Now these present witness and the parties hereto hereby agreed as follows:

1. That the supply would be made against a consideration of the sum of \*\*\* ..... to be paid by the University to the foreign manufacturer / supplier through\*\*\* ..... Freight, insurance, handling and documentation as per the terms agreed upon in the Purchase Order. The foreign manufacturer / supplier shall execute the supply of equipment and complete the Purchase Order in a thorough and workmanlike manner .....  
\* Name of the machinery / instrument / parts / appliances / things.  
\*\* Name of the School / Department \*\*\* FOB price  
\*\*\*\* Mention the mode of payment, such as LOC, Demand Draft, and Telegraphic (Wire) Transfer. Also make a mention (as per the situation) whether 90% would be released on proof of payment and balance 10% on actual delivery / installation / commissioning.
  
2. The foreign manufacturer / supplier is required to submit a bank guarantee bond of .....to be retained by the University and which can be released by the University after the warranty period of .....year(s) is over. If the supplier does not provide a bank guarantee, then 10% of FOB cost would be retained by the University till the warranty of .....Year is over.
  
3. That the foreign manufacturer / supplier shall be responsible for the adequacy, strength and accuracy of all the system (machinery, equipment, parts, appliances and things) supplied by the foreign manufacturer/ supplier for the purpose of the contract, as per the specifications claimed by the foreign manufacturer / supplier in their published catalogue / quotation.

4. That the foreign manufacturer / supplier shall arrange to deliver the whole of the machinery / equipment / parts / appliances / things as specified in the said specifications / quotation / purchase order, to the nearest port and the University shall make arrangements for taking delivery, clearance, transport and placing of all the equipment etc. so received at the site of installation.
5. That the University shall obtain pre-installation requirements from the foreign manufacturer / supplier and complete all necessary requirements at its own cost before the commencement of installation by the foreign manufacturer /supplier
6. That the foreign manufacturer / supplier shall send a factory-trained engineer to install the machinery / equipment free of charge at a mutually convenient time after confirmation of safe arrival of the equipment at the University premises. The foreign manufacturer / supplier shall bear the travel, living and other cost of the engineer / labor.
7. That on installation, the site engineer shall arrange with the University to have a test run of the machinery / equipment / part as per the specifications given in the published catalogue / data sheet / quotation.
8. That after the installation and satisfactory testing of the System (machinery / equipment / parts etc.) the University shall, if satisfied with the performance of the system as expected from the specifications, shall grant and deliver a certificate in duplicate that the machinery / equipment is in working order to the satisfaction and that the same is in conformity with the specifications. One of the duplicate certificates shall be given to the supplier. Such delivery and handing over shall amount to and be considered as handing over and the delivery to the University within the meaning of this contract.
9. That during a period of twelve months from the date of installation and handing over the system (machinery, equipment, part etc.) to the University or fifteen months from the date of shipment whichever is earlier, if there shall be found any defect in the system either due to faulty workmanship or due to bad materials, the same shall be rectified or replaced by the foreign manufacturer / supplier s at their own cost.
10. hat the foreign manufacturers shall pay the University 1% of the total cost of the system per week of delay in delivering the System and in no case shall exceed 5% of the total cost. Liquidated Damages will not be applicable where the cause of delay is not attributable to the foreign manufacturer / supplier.
11. hat any dispute arising out of this contract shall be referred to the University, and if either of the parties hereto is dissatisfied with the decision, the dispute shall be referred to the decision of the Arbitrator, who should be acceptable to both the parties, to be appointed by the Vice- Chancellor of the University. The decision of such Arbitrator shall be final and binding on both the parties

**12.** All disputes are to be settled within the jurisdiction of Guwahati courts.  
In witness whereof the parties have here to set their hands this day and this year  
above written.

In the presence of

1

2

Signed on behalf of the Manufacturers

In the presence of:

1

Signed on behalf of the University ADTU

## Annexure-5

**Preformat of Agreement to be entered into with Indian Representative of foreign  
Manufacturer / supplier for purchases made through Indian Representative**

Contract for supply of \*.....

By .....

Vide Quotation Ref: .....Date.....

An agreement made on this ..... day of ..... between the Assam Down Town  
University, India (hereinafter called the “University”) and

M/s.....(hereinafter called the “Representatives”) representing their  
principals..... (hereinafter called the “foreign manufacturers” or

“foreign supplier” as the case may be), which expression shall, over the context so  
administer implies include the representatives, executives, administrators, successors

or assigns of the ONE part, and the University’s Authorized Officers, successors or  
assigns of the OTHER part.

WHEREAS the University is desirous of purchasing and installing\*\*

..... at the premises of the University as per the technical specifications  
mentioned in the data sheet enclosed to the Purchase Order

No....., Date ..... for the sum of

..... (FOB price) subject to the conditions herein set forth.

Now these present witness and the parties hereto hereby agree as follows:

1. That the supply would be made against a consideration of the sum of `.....  
to be paid by the University to the foreign manufacturers supplier,  
through\*\*\*..... Freight, insurance, packing,  
handling and documentation as per the terms agreed in the Purchase Order. The  
supplier  
shall execute and complete the Purchase Order in a thorough and workman like  
manner.

---

\* Name of the instrument or equipment or part or article or goods.

\*\* FOB price

\*\*\* Mention the mode of payment such as LoC, Demand Draft, and Telegraphic  
(Wire) Transfer.

Also make a mention (as per the situation) whether 90% would be released on proof  
of shipment and balance 10% on satisfactory installation and acceptance.

2. The representative is required to submit a bank guarantee bond of `.....to be  
retained by the University and which can be released by the University after the  
warranty period of .....years is over. If the representative does not provide a bank  
guarantee, then  
10% of FOB price would be retained by the University till the warranty period of  
.....Year(s) is over.

3. That the Representatives shall be responsible for the adequacy, strength and  
accuracy of all the Systems (machinery, equipment, parts, appliances and things)  
supplied by the foreign manufacturer / supplier for the purpose of the contract, as

- per the specifications claimed by the foreign manufacturer / supplier in their published catalogues / quotation.
4. The representative shall arrange to deliver the whole of the machinery / equipment / parts / appliances / things as specified in the said specifications / quotation / purchase order, to the nearest point and the University shall make arrangements for taking delivery, clearance, transport and placing of all the equipment so received at the site of installation.
  5. The University shall obtain pre-installation requirement from the foreign manufacturer /supplier and its Indian representative and complete all necessary requirements at its own cost before commencement of the installer by the supplier.
  6. That the Indian representative shall send a factory-trained engineer to install the equipment free of charge at a mutually convenient time after confirmation of safe arrival of the equipment at the University premises. The Indian representative shall bear the travel, living and other cost of the Engineers / Labor.
  7. That the representatives shall be responsible for and shall pay all expenses of every kind of injury etc. caused by any accident to all persons employed by him or on his behalf during the course of installation and commissioning of the system supplied by the principal.
  8. That on installation, the representative shall arrange with the University to have test run of the machinery / equipment /part as per the specifications given in the published catalogue / data sheet / quotation.
  9. That after the installation and satisfactory testing of the System (machinery, equipment, parts etc.) the University, if satisfied with the performance of the system as expected from the specifications shall grant and deliver a certificate in duplicate that the equipment is in working order to the satisfaction and that the same is in conformity with the specifications. One of the duplicate certificates shall be given to the supplier. Such deliver and handing over shall amount to and be considered as handing over and the delivery to the University within the meaning of this contract
  10. That during a period of twelve months from the date of installation and handing over the system to the University or fifteen months from the date of shipment whichever is earlier, if there shall be found any defect in the system either due to faulty workmanship or due to bad materials, the same shall be rectified or replaced by the foreign manufacturer/ supplier through their representatives at their own cost.
  11. No agency commission will be payable to the Indian representative
  12. That the foreign manufacturer / supplier or his Indian representative shall pay to the University @ 1% of the total cost of the system per week of delay in delivery of the system which in no case shall exceed 5% of the total cost. Liquidated Damages will not be applicable where the cause of delay is not attributable to the foreign manufacturer / supplier / representative
  13. That any dispute arising out of this contract shall be referred to the University, and if either of the parties hereto is dissatisfied with the decision, the dispute shall be referred to the decision of an Arbitrator, who should be acceptable to both the parties, to be appointed by the Vice-chancellor of the University. The decision of such Arbitrator shall be final and binding on both the parties.

14. All disputes are to be settled within the jurisdiction of Guwahati courts In witness whereof the parties have here to set their hands day and year above written

In the presence of

1.

2.

Signed on behalf of the representatives in the presence of

1.

2.

Signed on behalf of the University

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## Annexure-6

### Check-list for procurement contracts (purchases, works, and services).

(Drafted duly taking guidance from Central Vigilance Commission Circular No.21105/06  
Date 01.05.2006)

#### **I Pre-Award Stage:**

1. Financial and Technical sanction of competent authority should be available
2. a) Adequate and wide publicity is given  
b) Advertisement and tender documents are posted on University website and tender documents are made available for downloading by making a specific mention in the Notice itself (precautions and conditions governing the down loading are required to be highlighted in the Notice itself).  
c) However, if on account of any specific and valid reason down loading is not considered allowable, then specific mention about such a prohibition is required to be made in the Notice itself.
3. Convenient and sufficient tender or quotation receiving / opening time is given and address of the tender receiving officials / tender box location are properly notified
4. In the case of limited tender, panel of contractors / suppliers is prepared in a transparent manner clearly publishing the eligibility criteria. The panel is updated regularly
5. Pre-qualification criteria are properly defined / notified
6. It is to be ensured that the short listed firms / consultants fulfill the eligibility criteria during valuation. There is no deviation from notified criteria
7. Experience and past performance certificates submitted by the contractors / suppliers are required to be verified
8. Representatives of the bidders may be invited and allowed while opening the quotations /Tenders / bids
9. Corrections / omissions/ additions etc., in price bid are property numbers and attested and accounted page –wise. Tender summary note, tender opening register is scrupulously maintained,
10. Conditions having financial implications are not altered after opening of the price bids.
11. In case of consultancy contracts (a) upper ceiling limit is fixed for Consultancy fee and (b) separate rates for repetitive works are fixed
12. Liquidated damage clause is included in the purchase order, more particularly when escalation has been agreed upon by ADTU

#### **II Post-award stage:**

##### **A General**

1. It is required to be ensured that Agreement is in complete shape with all relevant papers such as Pre-bid conference minutes, etc.
2. Agreement with page-numbers, signed and sealed properly

3. Bank Guarantee is verified from issuing bank.
4. Insurance policies, labor license, performance guarantee are obtained as per contract and requirement.
5. It is required to be ensured that technical personnel are deployed as per contract / agreement.
6. Plant and equipment are supplied / deployed as per purchase order / contract.
7. Action for Levy of liquidated damages is initiated in case of delay / default.

**B Payments to contractors / suppliers**

1. Price escalation, if any, is paid only as per contract / purchase order / agreement
2. Retention Money / Security Deposit is deducted as per contract
3. Recovery of any type of advance (such as advance payment, mobilization advance and equipment advance etc.) is made as per the provisions in the work order / purchase order / contract
4. Recovery of taxes such as GST, VAT, SERVICE TAX etc., is made as per the prescribed rates and as provided in the work order/ contract
5. Glaring deviations are supported with adequate justification and are not advantageous to the contractor / supplier.
6. Declarations (as prescribed in Annexure 9 and 10 are obtained wherever Service Tax and VAT have been claimed in the bills

**C Site Record**

1. Proper system of recording and compliance of the instructions issued to the contractors / suppliers is maintained.
2. Proper record of hindrances is maintained for the purpose of timely removal of the hindrance and action for levy of liquidated damages
3. Mandatory tests are carried out as per the frequency prescribed in the agreement.



## **Annexure-7**

(Ref. Para 17.0.0.)

### **EXTRACTS FROM GFR-2005 ON DISPOSAL OF SURPLUS GOODS**

#### **Rule 196. Disposal of Goods**

- i) An item may be declared surplus or obsolete or unserviceable if the same is of no use to the University. The reasons for declaring the item surplus or obsolete or unserviceable should be recorded by the authority competent to purchase the item.
- ii) The competent authority may, at his discretion, constitute a committee at appropriate level to declare item(s) as surplus or obsolete or unserviceable. The book value, guiding price and reserved price, which will be required while disposing of the surplus goods, should also be worked out. In case where it is not possible to work out the book value, the original purchase price of the goods in question may be utilized. A report of stores for disposal shall be prepared.  
In case an item becomes unserviceable due to negligence, fraud or mischief on the part of an employee responsibility for the same should be fixed.

#### **Rule 197. Modes of Disposal :**

- i) Surplus or obsolete or unserviceable goods of assessed residual value above Rupees Twenty Five Thousand should be disposed of by :
  - a) Obtaining bids through advertised tender or
  - b) Public auction.
- ii) For surplus or obsolete or unserviceable goods with residual value less than Rupees Twenty Five Thousand, the mode of disposal will be determined by the competent authority, keeping in view the necessity to avoid accumulation of such goods and consequential blockage of space and, also, deterioration in value of goods to be disposed of.
- iii) Certain surplus or obsolete or unserviceable goods such as expired medicines, food grain, ammunition etc., which are hazardous or unfit for human consumption, should be disposed of or destroyed immediately by adopting suitable mode so as to avoid any health hazard and/or environmental pollution and also the possibility of misuse of such goods.
- iv) Surplus or obsolete or unserviceable goods, equipment and documents, which involve security concerns (e.g. currency, negotiable instruments, receipt books, stamps, security press etc.) should be disposed of / destroyed in an appropriate manner to ensure compliance with rules

relating to official secrets as well as financial prudence.

**Rule 198. Disposal through Advertised Tender.**

- i) The broad steps to be adopted for this purpose are as follows :
  - a) Preparation of bidding documents.
  - b) Invitation of tender for the surplus goods to be sold.
  - c) Opening of bids
  - d) Analysis and evaluation of bids received.
  - e) Selection of highest responsive bidder.
  - f) Collection of sale value from the selected bidder.
  - g) Issue of sale release order to the selected bidder.
  - h) Release of the sold surplus goods to the selected bidder.
  - j) Return of bid security to the unsuccessful bidders.
- ii) The important aspects to be kept in view while disposing the goods through advertised tender are as under :-
  - a) The basic principle for sale of such goods through advertised tender is ensuring transparency, competition, fairness and elimination of discretion. Wide publicity should be ensured of the sale plan and the goods to be sold. All the required terms and conditions of sale are to be incorporated in the bidding document comprehensively in plain and simple language. Applicability of taxes, as relevant, should be clearly stated in the document
  - b) The bidding document should also indicate the location and present condition of the goods to be sold so that the bidders can inspect the goods before bidding.
  - c) The bidders should be asked to furnish bid security along with their bids. The amount of bid security should ordinarily be ten per cent of the assessed or reserved price of the goods. The exact bid security amount should be indicated in the bidding document.
  - d) The bid of the highest acceptable responsive bidder should normally be accepted. However, if the price offered by that bidder is not acceptable, negotiation may be held only with that bidder.
  - e) In case the total quantity to be disposed of cannot be taken up by the highest acceptable bidder, the remaining quantity may be offered to the next higher bidder(s) at the price offered by the highest acceptable bidder.
  - f) Full payment, i.e. the residual amount after adjusting the bid security should be obtained from the successful bidder before releasing the goods
  - g) In case the selected bidder does not show interest in lifting the goods, the bid security should be forfeited and other actions initiated including resale of the goods in question at the risk and cost of the defaulter, after obtaining legal advice.
  - h) Late bids i.e. bids received after the specified date and time of receipt should not to be considered

**Rule 199. Disposal through Auction**

- i) A Ministry or Department may undertake auction of goods to be disposed of either directly or through approved auctioneers.

- ii) The basic principles to be followed here are similar to those applicable for disposal through advertised tender so as to ensure transparency, competition, fairness and elimination of discretion. The auction plan including details of the goods to be auctioned and their location, applicable terms and conditions of the sale etc. should be given wide publicity in the same manner as is done in case of advertised tender.
- iii) While starting the auction process, the condition and location of the goods to be auctioned, applicable terms and conditions of sale etc., (as already indicated earlier while giving wide publicity for the same), should be announced again for the benefit of the assembled bidders.
- iv) During the auction process, acceptance or rejection of a bid should be announced immediately on the stroke of the hammer. If a bid is accepted, earnest money (not less than twenty-five per cent. of the bid value) should immediately be taken on the spot from the successful bidder either in cash or in the form of Deposit-at-Call-Receipt (DACR), drawn in favour of the Ministry or Department selling the goods. The goods should be handed over to the successful bidder only after receiving the balance payment.
- v) The composition of the auction team will be decided by the competent authority. The team should however include an officer of the Internal Finance Wing of the department.

**Rule 200. Disposal at scrap value or by other modes :**

If a Ministry or Department is unable to sell any surplus or obsolete or unserviceable item in spite of its attempts through advertised tender or auction, it may dispose of the same at its scrap value with the approval of the competent authority in consultation with Finance division. In case the Ministry or Department is unable to sell the item even at its scrap value, it may adopt any other mode of disposal including destruction of the item in an eco-friendly manner.

**Rule 201** A sale account should be prepared for goods disposed of in Form.

**GFR 18** duly signed by the officer who supervised the sale or auction.

**Rule 202.**

1. Powers to write off :  
All profits and losses due to revaluation, stock-taking or other causes shall be duly recorded and adjusted where necessary. Formal sanction of the competent authority shall be obtained in respect of losses, even though no formal correction or adjustment in government accounts is involved. Power to write off of losses is available under the Delegation of Financial of the University.

Losses due to the depreciation shall be analyzed, and recorded under following heads, as applicable :-

- i) Normal fluctuation of market prices;

- ii) Normal wear and tear;
- iii) Lack of foresight in regulating purchases; and
- iv) Negligence after purchase.
- v) Losses not due to the depreciation :

Losses not due to the depreciation shall be grouped under the following heads :-

- i) Losses due to theft or fraud;
- ii) Losses due to neglect;
- iii) Anticipated losses on account of obsolescence of stores or of purchases in excess of requirements;
- iv) Losses due to damage, and
- v) Losses due to extra ordinary situations under 'Force Majeure' conditions like fire, flood, enemy action, etc.

**Annexure-8**  
**Indent Monitoring System**  
**Register of Indents**  
(1st April 20..... to 31st March 20.....)

Date	SINO.	From whom received	Brief details	Unit Name/No.	Date & Receipt of the Dealing Asst.	Category of Indent (Urgent/Planned)	Action taken				
							Date of rejection of Indent	S.O. details	P.O. details	Date of handing over to Department	Dated Initials of Dealing Asst.
1	2	3	4	5	6	7	8	9	10	11	12

**Note:**

An item entered in the Register should not be closed till the finality of action i.e, Rejection of the Indent / Date of Handing over of the goods / Date of Installation of the equipment in the University as the case may be.

- A. The Purchase Order details should contain P.O. No. Date, Name of the Supplier and value of the P.O.
- B. Pending Purchase Orders of previous financial year should be carried over to the subsequent financial year in the 1st closing. These should be cleared by recording supply details against original entries in the old registers as and when received and closing should be updated accordingly.
- C. The Register should be closed every month on 5th and submitted to the Registrar and on 5th January and 5th July every year to the Vice-Chancellor after closing the same to the end of 25<sup>th</sup> of previous month as shown in the following illustration on the next page:

Register to be submitted to the Vice Chancellor on 5<sup>th</sup> July 2012

Opening Balance	: xxxxxxx (A)
Purchased orders issued from 26.12.2011 to 25 06 2012	: xxxxxxx (B)
Total No. of POs issued (A+B)	: xxxxxxx (C)
Supplies received and handed over to Indenters	: xxxxxxx (D)
Closing Balance (C-D)	: xxxxxxx (E)

SL No.	Sl. No. of Indent Register	P.O. Details	Brief details of supply	Indenting Dept.	Reasons for delay	Remarks of Purchase Dept.
1	2	3	4	5	6	7

Jr. Asst.      SO      Asst. Registrar (Purchase)      Registrar      Vice Chancellor