

INSTITUTE OF INFRASTRUCTURE,
TECHNOLOGY, RESEARCH AND
MANAGEMENT- AHMEDABAD

STORES AND PURCHASE MANUAL

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1 Introduction

This manual outlines the procedures to be adopted for the purchase of various kinds of equipment and stores by Departments/Inter-disciplinary Programmes / Centres / Central Facilities / Units / Sections, both from Universitys main account as well as from the projects funds, but excludes the purchases to be made by the Central Library and the University Work Department.

2 Definitions and Abbreviations

2.1 Definitions

For this Stores and Purchase Manual unless the context otherwise requires

- (i) The Act means Institute of Infrastructure, Technology, Research And Management Act , 2012 (Act 5 / 2013)
- (ii) Approved format means at different places in this document reference is made to approved formats. All such formats shall be approved by the Director General from time to time.
- (iii) The Board means The Board of Governors of Institute of Infrastructure, Technology, Research And Management
- (iv) The University means Institute of Infrastructure, Technology, Research And Management
- (v) Department means A Group of Resources and Facilities catering to similar disciplines in an area of knowledge
- (vi) He includes She
- (vii) Project means and include any sponsored research, consultancy project or any other activity, which has a valid project number given by the R&D office of the Institute.
- (viii) Project Investigator means a regular employee of the University whose name is recorded as a project Investigator in the records pertaining to the project in the R & D office.
- (ix) Purchaser means the individual who signs as purchaser in the purchase proposal form shall be referred to as a purchaser.
- (x) Seller refers to the company/vendor/dealer/agent/individual party from whom the institute may potentially buy goods or services.
- (xi) Temporary Contingent Advance is an advance which can be taken to meet contingent expenses on NCS or LTAS or CS or Miscellaneous items This should normally be taken from the appropriate budget head.

- (xii) 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.
- (xiii) All other terms used in these regulations has same meaning as defined in the Act

2.2 Abbreviations

AS	Account Section
BoG	Board of Governance
CA	Competent Authority
CFA	Competent Financial Authority
DD	Deputy Director
DORD	Dean of Research and Development
FC	Finance Committee
JEE	Joint Entrance Examination
GFR	General Financial Rules
HOD	Head of Department
IA	Internal Audit
IR	Inspection Report
LTAS	Limited Time Asset Stores
NCS	Non-Consumable Stores
PI	Project Investigator
PPF	Purchase Proposal Form
R&D	Research and Development Office
RC	Rate Contract
SPS	Stores and Purchase Section
SPO	Stores and Purchase Office

3 Classification of Stores

All stores to be procured shall be classified into three categories viz, Non- Consumable Stores (NCS), Limited Time Asset Stores (LTAS) and Consumable Stores (CS).

3.1 Non-Consumable Stores (NCS)

Stores satisfying any one of the following conditions shall be classified as non-consumable stores:

- a. Stores which are intended to be used over prolonged periods before becoming unusable, or obsolete,
- b. Stores having a significant disposal value,

- c. Stores which are sub-systems, or parts of an equipment, which can be potentially repaired and reused, and
- d. Stores which are either fabricated, or assembled equipment, and which if bought as a single item would have been classified Non-Consumable Stores. All non-consumable stores have to be entered into the Asset Register of the University and the NCS Stock register of the appropriate Department. Examples: (examples are indicative and not exhaustive) plant machinery, equipment, fabricated equipment, instruments, assembled instruments, motors, gas cylinder, workshop machines, furniture and books etc.

3.2 Limited Time Asset Store (LTAS)

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

- a Stores which have significant value when purchased but rapidly lose their value / relevance with the lapse of time and have very little or negligible disposal value, and/or
- b Stores which can be upgraded either by replacing components /parts or which can be rendered obsolete by the release of new versions or editions. All LTAS shall be entered into the Limited Time Asset Stores Register of the Institute and in a separate Limited Time Asset Stock Register in the appropriate Department. Examples: (examples are indicative and not exhaustive) Computers, disk and other peripherals drives which are computer accessories, software, printers, monitors, UPS, telephones, mobile etc.

3.3 Consumable Store (CS)

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

- a Stores which exhaust with lapse of time,
- b Stores which are rendered unusable due to normal wear and tear,
- c Stores which do not have significant disposal value, and
- d Spares of equipment which do not fall either in the NCS or LTAS category.

The CS shall be entered in the CS Stock register of the appropriate department. For projects, the CS shall be entered in the CS Stock register for the project. Examples: (examples are indicative and not exhaustive) chemicals, medicines, stationery items, printer ribbons and cartridges, pen drive, floppies, CD ROMs, magnetic tapes, chips and electronic components like resistors, capacitors, connectors etc, electrical components like wire switches, plugs, bulbs, cells, tool-bits and hand tools etc.

If the spares are purchased for fabricating or manufacturing any equipment, such spares are to be treated as Non Consumable items. However, if a spare is purchased to replacing any spare of an equipment, such spare be treated as CS, provided such spare do not have any replacement value. In case of a dispute regarding the classification of an item, the decision of Director General shall be final.

4 Financial and Sanctioning Powers

The table 1 gives the financial limits up to which the concerned person has authority to approve purchases within the allocated budget of the department/project. Such a person shall be referred to as the Competent Financial Authority (CFA). It is the responsibility of the CFA to ensure that sufficient funds are available for the purchase.

Table 1: Financial and Sanctioning Powers

Sr No	Competent Financial Authority	Non Consumable (NCS)	Limited Time Store Asset (LTAS)	Consumable Store (CS) Advance	Temp. Contingency Advance
1	Registrar/HOD DD	2,00,000 Rs	1,00,000 Rs	50,000 Rs	5,000 Rs
2	Director/DORD (for Project) Purchase only	10,00,000 Rs	5,00,000 Rs	2,00,000 Rs	1,00,000 Rs
3	Director General	All cases	All cases	All cases	All cases

- i. All purchases of furnitures should be done through Stores and Purchase Section after duly approved by the Registrar / Dy. Director.
- ii. The above limits apply to indigenous purchase as well as import. For the purposes of imports the Indian Rupee equivalent of the foreign currency on the date of sanction should be considered.
- iii. All temporary contingent advances shall be adjusted as per the guidelines approved by the BOG.
- iv. The financial and sanctioning powers as given above are approved by BOG and can be revised by the BOG from time to time.
- v. For the purposes of this manual, Acting HOD and Acting DORD shall exercise the same financial powers as the incumbent unless decided otherwise by the Director General.
- vi. The Director General has been empowered to make purchases up to Rs 100.00 Lakhs for any single purchase, and, purchases over and above Rs.100.00 Lakhs are to be reported to the Board.

4.1 Purchase of Goods through Imprest (Imp)

Imprest of a maximum Rs. 10,000/- can be drawn by HOD/PI to meet contingent expenditure of a minor nature. This can be taken in the beginning of a financial year. It can be recouped from time to time by submitting cash memos/bills/receipts and

proof of entry in the appropriate register. However, a final adjustment of Imprest must be done at the end of financial year.

5 Category of Firms, Registration and Blacklisting

There shall be the following categories of firms for inviting quotations for purchase of materials, services, equipments, instruments etc.

5.1 Local Registered Firms

Local (within municipal area of Ahmedabad/Gandhinagar) general suppliers, authorized agents/distributors of the manufactures/service providers and firms undertaking job works can be registered with the Institute as per the procedure mentioned in Appendix IV.

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 allotted to them. The firm must maintain an office / shop / show room registered in its own name, in the market / industrial area or another suitable place and should have a bank account wherein the payments may be sent directly in the bank.

Credentials including manufacturing capacity, quality control facilities, past performance, after-sales service, financial background etc. of the firm shall be carefully verified by the Institute. The registered firms shall be liable to be removed from the list of approved firms if they fail to abide by the terms and conditions of the registration or fail to supply the goods on time or supply sub-standard items/goods or make any false declaration to the Institute or for any other grounds which, in the opinion of the Institute, is considered to be against the public interest.

The firm will be registered for a fixed period, normally upto 3 years, depending on the nature of the supplies to be made by them. At the end of the period, the registered firms willing to continue with registration should be required to apply afresh for renewal of registration as per procedure given in Appendix-V. New firm may also be considered for registration at any time, provided they fulfill all the required conditions.

All the firms should be registered with the SPS for supplies of specific items, including direct supply.

5.2 Outside Firms

The firms hailing from outside (beyond the municipal limits of Ahmedabad / Gandhinagar) must be manufacturing or authorized dealers / agents / stockiest / suppliers / service provider of manufacturer. Purchase can be made only from those reputed sellers who have sales tax registration / CST registration, Shop Act registration, PAN (Income Tax), Tax Payer Identification No (TIN) and relevant excise

registration, wherever applicable. Such firms shall be required to provide an valid authority in this regard.

5.3 Black listing

Blacklisting of firm can be done on the recommendations of the HOD / PI and with approval of Competent Authority. The Officer In charge of Stores & Purchase Section shall process all such cases reported by the Department/Centers. A committee specially constituted by the Director General/ Director shall examine the case and shall submit its recommendations to the competent authority for final action. The information on such firms shall be promptly and widely disseminated by Officer Incharge of Stores & Purchase Section to all concerned.

6 General Procedures and Rules for Purchases:

The following procedures shall apply to all purchases except where stated otherwise.

6.1 Purchase of Goods without Quotation

6.1.1 Purchase without Quotation upto Rs 50,000/-

Purchase of goods upto a value of Rs.50,000/- (Rs Fifty Thousand only) on each occasion may be made without inviting quotations/bids by the competent authority on the basis of a certificate recorded by him in the following format:

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

Signature

All Purchases as mentioned above can be made directly by the purchaser from the market / authorized dealers (after ensuring that the price is reasonable) or through SPS. Such purchases shall be done in the following three ways:

- a. Directly by the purchaser through an advance drawn for the purpose. This advance shall be subsequently adjusted, for which cash memo/ bill / receipt and proof of entry in the appropriate Stock and Asset (if relevant) Register must be submitted. Approved formats shall be used for drawing the advance and for adjustment. For project purchases the form for advance shall be sent to R & D office and for Non-project purchases it shall be sent to the AS. Intimation must be sent to SPS / R& D in case of NCS, CS and LTAS purchases for entering the item in Asset register, otherwise bills for payment will not be passed by AS / R& D office and shall be monitored by Internal Audit.
- b. By the purchaser making the purchase directly from the seller and the payment being made by the R& D Account unit for project purchases and Accounts

Section for non-project purchases. Payment will be made against proper invoice/bill/tax invoice proof of challan/transfer invoice of the item by the purchaser and entry in the appropriate stock register and Asset Register (wherever relevant). Intimation must be sent to SPS / R& D in case of NCS and LTAS purchases entering the item in Asset register, otherwise bills for payment will not be passed by AS / R& D office and shall be monitored by Internal Audit.

- c. Through SPS, for which the quotation duly signed together with the PPF approved by the CFA shall be sent to SPS for placing the order and further processing.

6.1.2 Purchase by Purchase Committee above Rs 50,000/-

Purchase of goods costing more than Rs.50,000/- (Rs. Fifty Thousand only) and upto Rs.1,50,000/- (Rs 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 decided by the HOD and approved by the competent authority. The committee will survey the market to ascertain the reasonableness of rate, quality and specifications and identify the appropriate supplier. Before recommending placement of the purchase order the members of the committee will jointly record a certificate as under:

“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.”

6.2 Purchase of Goods with Quotation

6.2.1 Purchase up to a value Rs.1,50,000/-

Purchases up to a value of Rs.1,50,000/- with a minimum three quotations, can be made by a committee approved by the HOD. Quotations should be opened and signed by at least two persons and the HOD / PI/ Indenter .

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 Institute website and notice board of the concerned department and 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. The notice inviting tenders/quotations along with specifications should also be released simultaneously on the website of the institute and the website address should be given in the tender notice.

Enquiry should be floated by registered post / courier / fax / e-mail / speed post but quotations must be received in a sealed cover.

6.2.2 Purchase above Rs. 1,50,000/-

For purchases more than Rs.1,50,000/-, purchase will be done through a purchase committee of at least three members and approved by the appropriate CFA (DD / DORD). Departments may also get a committee approved by the CFA for a maximum period of one year to make such purchases.

A copy of all enquiry letters will be displayed on the Institute website and notice board of the concerned department and 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. The notice inviting tenders/quotations along with specifications should also be released simultaneously on the website of the institute and the website address should be given in the tender notice.

6.2.3 Bulk purchase by Stores

Irrespective of the amount, for purchases which are directly initiated by the Stores & Purchase Section, the Director General / Director shall constitute a committee for a period of one year comprising of at least three members including one from the SPO. This procedure is to be followed when bulk purchase of stores is involved (e.g. medicines, stationery items, chemicals & liveries etc) or items which are required by multiple departments.

6.3 Purchase of goods on single quotation basis (Proprietary Article)

Procurement of goods on single quotation basis may be followed in the following circumstances.

- It is in the knowledge of the user department that only a particular firm is the manufacturer of the required goods or proprietary item.
- 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 be obtained before effecting the purchase.
- For standardization of machinery or spare parts to be compatible with the existing sets of equipment, the required item is to be purchased only from a selected firm.
- The indenter should provide a certificate that the price quoted by the firm is reasonable and the same is a proprietary item.

Purchase of items of a proprietary nature (i.e. item which do not have substitutes, or are spare parts of 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 must furnish a proprietary certificate (as placed at Appendix-VI) countersigned by Head of the concerned, or associated department. If the total value of the item is more than Rs1,00,000/- a proprietary certificate must be obtained from the supplier stating that they are the only source of supply / manufacture.

6.4 Repeat Orders

Repeat orders are processed subject to the following conditions:-

- The repeat order can be made with no change in the rates, specifications as well as terms & conditions of supply.
- The repeat order shall be placed within 120 days time from the date of the quotations.
- After ensuring that there is no significant reduction (more than 10%) in the cost of the item(s).
- No repeat order will be placed if buy-back is involved in the purchase.
- Any amended order shall not be considered for repeat order.

6.5 Purchase of Rate Contract Goods

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 requirements identified by the SPS the Institute may enter into rate contract arrangements for specified terms from one or more sellers for a specified length of time. The details of such arrangements shall be negotiated by a committee constituted by the Director General/Director/Registrar. The recommendations of the committee shall be approved by the Director General before they are formally adopted. The period for which the Rate contract is valid will be counted from the day the rate contract is formally adopted. The process for entering into rate contract arrangements shall be initiated by SPO.

In case of items for which Directorate General of Supplies & Disposals (DGS&D) Rate Contract exist; the SPO will procure these items by placing direct orders on the firms. Any item may be purchased on single quotation basis at DGS&D approved rate from authorized and established firms authorized by the manufacturer. But the firm has to furnish latest DGS&D rate contract copy. Rate contract will not be a binding as long as other purchase process is followed.

6.6 E-Procurement

Purchase of goods through electronic mode of interface with tenderers 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) is called e-procurement. This is gradually gaining popularity. In order to cut down the transaction costs and improve efficiency and transparency, the Government aims to make it mandatory for all the organizations.

As such, all the departments/sections/centers 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 tenderers feel confidence in electronically transmitting their queries and bids. Until a full fledged system for e-procurement is developed by the Institute, the departments / sections / centers 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 tenderer before the date of opening of the bid. It is in this context that all departments/sections/centers are advised to display all enquiry letters on the Institute website and notice board of the concerned departments / sections / centers so that the registered firms are able to submit their quotations to the concerned department within the specified period. After finalization of the e-procurement system Institute will implement the same.

6.7 Purchase under buy back scheme

If any item is purchased under buy back scheme for old one, quotations are to be invited clearly mentioning the specification of old and new item asking the buyback 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 condemnation/write-off committee, 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.

6.8 Two bid system

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. However, the tenderers should be asked to bifurcate their quotation in two parts. The first part is to contain the relevant technical specifications and allied commercial details as required in terms of the tender enquiry documents and the second part should contain only the price quotation. The first part is commonly known as a **Technical Bid** and the second part **Financial Bid**.

The technical bid and the financial bid should be sealed by the tenderer in separate covers. The technical bids are to be opened in the first instance, at the prescribed time and date and 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. Thereafter, in the second stage, the financial bids of only the technically acceptable offers (as decided in the first stage above) are to be opened for further scrutiny, evaluations, ranking and placement of contract.

6.9 Late Tender

In the case of advertised tender enquiry, or limited tender enquiry, late tenders (i.e. tenders received after the specified date and time for 'receipt of tenders) should not be considered.

6.10 Hospital Purchase

In view of the special nature and requirement of medicines for the Institute health care facilities, Director General may approve delegation of financial powers to appropriate person, and special procedure as necessary from time to time.

6.11 Opening of Quotations

Quotation must be opened in the presence of all purchase committee members / purchaser as the case may be. All quotations must be signed by all members of the committee / purchaser (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 lowest bidder.

There shall be a standing committee comprising of In-charge-SPO, Audit Officer and one more official for opening general quotations of all the purchases which is scheduled every week normally. *i.e.* every Thursday at 3 pm in the office of the central Store.

6.12 Purchase Committee Report

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

- a. A comparative statement of all dealers/sellers indicating all taxes, freight, forwarding etc (i.e. the total cost of the purchase).
- b. The dealers from whom purchases 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 (an approved format is available for this). The report complete in all respects along with associated documents shall be sent to R&D (for project purchases) SPS (for non project purchases).

6.13 Pre-audit through IA for purchase exceed Rs 50,000/-

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

7 Payments terms

7.1 Approval of CFA

Except for purchases under serial no 6.1.1, the payment terms shall be as approved by the CFA in the sanction sheet, however normal payment terms for indigenous purchases shall be 90% on delivery of the items and the remaining 10% after satisfactory installation/inspection. Terms of payments may be changed from item to item, for example, liveries, stationery and furniture etc. For such items the payment may be made 100% against delivery subject to the inspection and approval by the competent authority. For small purchases upto Rs 50,000/- of any items 100% payment against delivery and inspection may be done.

7.2 Payment against dispatch of document through bank

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

7.3 Payment against bank guarantee

Any advance payment to the seller (*i.e.* private firm) shall normally be made only against a bank guarantee of the requisite amount. Any deviation from this or advance payment against any other mode of guarantee shall be specifically approved by DD / DORD (for project purchase).

7.4 Payment terms against delivery

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

7.5 Balance Payment

For balance payment, after receipt of satisfactory IR, the items must be entered in appropriate stock and asset register. The SPS will submit the necessary document within one week to R&D office for project purchases and to AS for all other purchases for release of payment by R&D and AS, as the case may be. The R & D / AS will ensure that the payment due are released within 7 days through cheque /draft directly to the seller by registered post/courier.

On specific request from the purchaser the cheque/draft can be given to the purchaser for onward transmission to the seller. In such a case the purchaser shall be responsible for submission of the receipt from the seller to R&D / AS. When cheques are sent to sellers directly by Account Section for the balance and final payment a copy of covering letter must be sent to Store Purchase Section for information and closing the file.

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.

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

9 Purchase sanction and receipt of items

9.1 Change in PO needs approval of CFA & IA

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

9.2 All purchases except under 6.1.1

All purchases, except those listed above serial no 6.1.1, shall be made through a purchase order placed on the seller by the SPO of the institute, who shall be responsible for receipt of goods and the subsequent dispatch of the receipted goods to the purchaser along with copies of IR. The purchaser shall return the IRs within 15 days after recording appropriate comments.

Wherever the purchase has been processed through a purchase committee, the purchaser shall ensure that the committee has carried out the inspection of the items prior to submission of the IRs to SPS.

9.3 Inspection Report

Inspection Reports (I.R.) must be returned to Store Purchase Section duly approved or rejected within fifteen days, otherwise it will be presumed that materials supplied are acceptable to the purchaser and necessary action will be taken for making the payment to the firm.

9.4 Clearing of Consignment

The SPS 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 done before dispatch either by seller or SPS.

9.5 Direct Supply to purchaser

Normally delivery of items purchased shall be done at the SPS. However, in exceptional situations the suppliers may also deliver the items directly to the purchaser in which case the purchaser shall be responsible to inform the SPO about such delivery, within seven days of receipt of the items.

9.6 Steps for shortage/damage / wrong supply

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

9.7 Entry in the stock/asset registers

Once the purchase has materialized satisfactorily, the items must be entered in the appropriate stock register of the department/project and in the Asset Register of the Institute, where ever relevant.

9.8 Delegation of power

The payment order, signing of bills, signing of cheques for the processing of payments and adjustment shall be in accordance with the delegation of powers as enumerated in clause 4.0.

9.9 Increase of Govt. Taxes / levies needs proof

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.

9.10 Director General - Discretions

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

9.11 Internal Audit exception

All purchases/Rate Contract Arrangements will be audited by the Internal Audit Section (IA) of the institute except in the following circumstances;

- a. Individual purchases done as per an existing Rate Contract arrangement,
- b. A repeat order if there is no change in price.

9.12 Quotes should be in words & figures

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

10 Duties & Taxes

Presently the applicable concessional custom duty for educational Institute is 5.15% which is payable for imported items. In case the order is on Ex-works or FOB basis, the Institute may be required to pay freight / insurance charges as per prevailing rate

As per the prevailing taxation policy of the Government, VAT/CST shall be payable for all indigenous items. The service tax shall be applicable for service and for Annual Maintenance Contract (AMC). The present rate of service tax is 12.36%.

11 Annual Maintenance Contract

Depending on cost and nature of the goods to be purchased, it may also be necessary to enter into maintenance contracts for a suitable period either with the supplier of the goods or with any other competent firm, not necessarily the supplier of the subject goods. Such maintenance contracts are specially needed for sophisticated and costly equipment and machinery. It may however be kept in mind that the equipment or machinery is maintained free of charge by the supplier during its warranty period or such other extended periods as the terms of contract may provide for. The paid maintenance should commence only there afterwards.

The annual maintenance contract, repair contract, repair work from the manufacturer / manufacturers authorized supplier, in respect of various equipment in the department, may be entered into by the HOD for maximum of 10% of the equipment cost or Rs 1,00,000.00 whichever is less. In all other cases, quotations will be invited and normal purchase rules shall be adhered to.

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

- AMC should be from a prospective date. In order to ensure this, the HODs shall be required to initiate action for renewal of AMC at least 90 days before the expiry of previous AMC.
- In case of renewal, the service report /log book (or photo copy) should be sent along with the proposal.
- In case of any increase in the AMC cost when compared to previous AMC, necessary justification for increase in price may be obtained from the firm and enclosed along with the indent.

- Advance should be paid against bank guarantee, if the amount is more than Rs.1,00,000/-

12 Purchasing of Import Items

Generally the procedure outlined in the previous section shall be followed for procurement of items through import. However, the following is especially applicable to imports made by SPS.

12.1 Restricted Items

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 Provision of exemption of Customs Duty

Provision of exemption in customs duty must be availed wherever possible.

12.3 Import directly from foreign principle

Import should normally be made directly from the foreign principal manufacturers. In the event a purchase is made through an Indian agent of the foreign company, proof that the Indian agent is an authorized agent of the foreign company must be obtained and must be part of the documents pertaining to the purchase. Any commission of the agency which may be payable to the Indian agent can be paid only in Indian Rupees (unless there is a change in Government of India rules which may necessitate payment in foreign currency).

12.4 Indian Agent

If a foreign company has opened an office in India then it can authorize any Indian agent to deal with IITRAM.

12.5 Import only through SPO

All imports shall be done through the import unit of the SPS. The incharge import unit shall ensure that the item being imported does not fall under the restricted / negative / banned category.

12.6 Request for quotations

Request for quotation for items to be procured through import may be sent through email, in addition to registered post / speed post/courier/fax.

12.7 Quotation by e-mail <2000 US\$

Quotations may be accepted by e-mail for amount less than US\$ 2000 or equivalent but it should be duly verified by the indenter.

12.8 Terms of payment

Payment for import shall normally be made through a letter of credit. However, payment can also be made by a draft, subject to the restrictions placed by the Reserve Bank of India.

12.9 Advance Payment

Advance payment by a foreign currency draft / TT can be made up to a value of US\$10,000/- (or equivalent in foreign currency). For such payments, the advance payment will be treated as an advance against the purchase until it is adjusted.

12.10 Terms of shipment

Term of shipment should be on FOB price of CIF, as Institute has not hired the services of a Freight Forwarder. However CIF price may be accepted on case to case basis depending on the situation.

12.11 Responsibility of Import unit

The in-charge, import unit will be responsible for placing orders, opening/amending extending letters of credit, insurance, clearance and transportation of goods, processing for short shipped/damaged goods.

12.12 Clearing agent

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

12.13 Stock Register

The In-charge, Import Unit 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 departmental stock register and asset register (if applicable).

12.14 Inspection Reports

Inspection Reports (I.R.) must be returned to Store Purchase Section 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.

13 Import of items through individual International Credit Card:

13.1 Limit of payment

Limit of payment of individual credit card is upto US\$ 2000, or equivalent as per directives of the RBI. The purchaser must take the approval from the CFA in advance.

13.2 Banned / Restricted

Indenter must ensure through import section if the item is not banned / canalized.

13.3 Declaration of Item

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

13.4 Declaration regarding proprietary nature

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

13.5 Declaration of reasonableness of price

If the item is not of proprietary nature then the indenter should declare the price quoted by the Firm on the e-mail is quite reasonable in comparison with national / international market and that he has assured himself by seeing the prices of different Firms on the internet.

13.6 Approval of CFA

Indenter should get approval of CFA before placing the order by credit card and inform import section for recording the amount for onward submission to Ministry of Science & Technology, Department of Scientific & Industrial Research, Delhi, for the registration of exemption of customs duty. For this, one copy of order is to be sent to import section.

13.7 Mode of Shipment

Shipping mode and port of shipment must be clear in the order as to whether the shipment will be Ex-works/FOB/C&F/CIF/FAS/CIF etc.

13.8 Intimation of Shipment details

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

13.9 Intimation of every event

Each and every event development be intimated to the import section to avoid delay in release leading to demurrages for the material.

14 Maintenance of Record

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

14.1 Maintenance of Record NCS category

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 department
- 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.

14.2 Maintenance of Record LTAS category

The Institute shall maintain a record of all purchases in the LTAS category in the Limited Time Asset Store 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 department
- e. cost and project number (if applicable).

The total value of all the assets entered in the LTAS register during the financial year shall indicate the value of the limited time assets to be capitalized in the balance sheet of the corresponding financial year.

14.3 Maintenance of Stock registers

Each Department shall maintain the following three separate registers.

- i. NCS Stock Register
- ii. LTAS Stock Register and
- iii. Consumables Stock Register.

Items in the different categories purchased by the Department shall be entered in the appropriate register.

14.4 Maintenance of Project consumable Register

Each project shall maintain a project consumables register. All CS items purchased from the project shall be entered in this register. All NCS and LTAS items must be entered in the NCS Stock register or the LTAS Stock register of the associated department. Project investigators, if they wish, may maintain separate NCS and LTAS stock register for their project, but it is necessary to enter NCS and LTAS items as the case may be in the stock register of the associated department. Each register must have consecutively numbered pages after the certificate page and the index, which shall be at the beginning of the register.

14.5 Certified Stock Register

The register should have following certificate on the first page;

Certified that this register contains a total of _____ pages and each page has been consecutively numbered on both sides from —to— .

Date: Signature of HOD

14.6 Custodian of Records

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

14.7 Annual Stock Verification

All HODs/PIs shall appoint a committee to conduct an annual stock verification of all items on the previous stock register of the department / project at the end of financial year. The committee shall submit a report in the approved format to the HOD/PI for onward transmission to SPO / DORD (for project). The SPO/DORD shall be responsible for issuing a notice for annual stock verification every year.

14.8 Store Survey & Physical Verification committee

Once a year the HOD / PI shall constitute a Stores Survey and Physical Stock Verification committee of not less than three members. This committee shall survey all the NCS and LTAS stores and recommend write-off for NCS items which are not useable and not serviceable and revaluation for LTAS items which have become obsolete. For NCS the committee shall record the reason for recommending write-off. For LTAS the committee shall revalue the LTAS and report all those items which may be considered to be as of no value with reasons recorded. HODs/PI shall forward the report to the Director for approval. This report subsequently shall be sent to SPS for necessary action.

15 Transfer of Stores

15.1 Transfer of Stores within the Institute

Transfer of stores within the institute from one department to another can be done by using the approved format available in the Stores & Purchase Section. For transfer of items whose individual value is greater than Rs 1,00,000/-, the explicit written approval of the Director will be required. The transfer must be duly recorded in the relevant register of both the departments. For transfer of item of the cost above Rs 5,00,000/- Permission is required from Director General.

15.2 Transfer of Stores to the another Institute

Transfer of stores from the institute to another institute / college / university / industry can be done only with the explicit written approval of the Director General.

For the stores whose book value is greater than Rs.1,00,000/-, the approval of the Finance Committee will be necessary. 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 General.

15.3 Entry in stock & Asset Register

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.

16 Records of Consumable, non consumable and LTAS items received through Gifts, donations and samples received by the Institute

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 is maintained by the Stores & Purchase Section. The concerned departments / user sections are, therefore, required to maintain the inventory / details of such items / gifts / samples in their own records and a confirmation to this effect is to be sent to the Store & Purchase Section not more than with one month of receipt of such items / gifts / samples.

17 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 of in the best interest of the Institute as per the following guidelines with prior approval of the Director General:

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

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

17.1 Financial Powers

Table 2: Financial and Sanctioning Powers for Disposals

Sr No	Competent Financial Authority	Write off items for disposal with an individual value of Rs.
1	Director General	Upto Rs 2,00,000
2	Board	Above Rs 2,00,000

A Appendix 1

Institute of Infrastructure, Technology, Research and Management
Ahmedabad

Purchase Proposal Request Form- Project

File No : _____ Dept: _____

Date :

To,
Officer In-Charge,
Store and Purchase division - IITRAM

Table 3: Details of the Purchase

Types of Material			Purchase order type	
Consumable			Normal	
Non-Consumable			Repeat Order	
Limited Time Asset			Rate Contract	

Please tick wherever applicable

Table 4: Item details of the required items

Sr No	Complete Description of Items (Use Seperate Sheet if required)	Stock held on date (if applicable)	Quantity Required	Purpose	App Unit Price	App Total Cost
Total Cost						

Suggested Suppliers:

- 1.
- 2.
- 3.

Whether items are available in central stores : Yes or No

Table 5: Budget Details

Sr No	Department Name	Budget Head	Budget Amount

Certify that allocation exists for the above amount : Yes or No

Indenter

HOD

Sanctioning authority's Signature

Name: _____

Email : _____

B Appendix 2

Institute of Infrastructure, Technology, Research and Management
Ahmedabad
Purchase Proposal Request Form

Requester's name: _____
 Project No.: _____
 Purchase order type: Normal/Rate Contract/Repeat Order No.: _____
 Recommended Quotation No.: _____
 Delivery Period: _____ Dispatch Mode: _____

Sr.No.	Complete Description / Specification of items required	Qty.	Unit price	Total amount(Rs.)
	(Consumable/Non Consumable/LTAS....)....			
			Total cost	

Other charges

Budget

Excise Duty _____% Sales Tax/Trade Tax _____% Freight Packing and Forwarding Transit Insurance Specific condition(if any)	Amount	Project No.	Project Head	Amount

Payment terms

Vendor's address

1.90% against delivery	M/s. _____
2.80% against delivery	
3.90% against delivery	
through SBI,IITRAM	
4.100% against installation	
5. _____% advance	
against Bank Guarantee	
6.Any other specify-	
Detailed overleaf	

Signature of Project Investigator

Signature of HOD

APPROVED BY
DORD/DY.DIRECTOR/DIRECTOR

(Signature with date of approval)

C Appendix -3

Institute of Infrastructure, Technology, Research and Management
Ahmedabad

Requisition Form for Imported Items through Import section

Department:_____Requisition No.:_____Date:_____

Indentor's Name:_____

Source of Fund: in case of accounts one (i) Name of
Dept.:_____budget.des.:_____

Source of Fund: in case of accounts two (i) Project
No.:_____budget.des.:_____Mode of Shipment:_____,
Consumable:_____Non consumable:_____LTAS:_____Particulars of
Goods required for import:

Sr.No.	Particulars/Description of Items as Given in the Quotation No.:_____Date:_____	Quantity	Country of import	value in Foriegn cur- rency	Value in Indian cur- rency

Total FOB Value = _____

Total CIF/C & F Value _____

Discount if any= _____

Agency commission= _____

Freight= _____

Insurance= _____

Other details/charges if any= _____

Supplier's address
(Full address in capital letters)_____

Local agent's full address
(Full address in capital letters)_____

Indenter/HOD/Project I/c.

Approved by
DORD/Dy. Director/Registrar/Director

(Signature with date of approval)

Enclosures:

- 1) Performa invoice(three copies) valid for 60 days
- 2) List of goods (6 copies)
- 3) End use certificate, NMIC, proprietary certificate
- 4) Check list duly ticked

D Appendix -4

Institute of Infrastructure, Technology, Research and Management
Ahmedabad

Supplier Registration Form

Firm's Name: _____
Owner's Name: _____
Full Postal AddressL _____

Pin : _____
Email Address: _____
Website Address: _____
Contact Person's Name _____
Contact No : _____ Mobile No: _____
Sales tax No : _____ VAT No : _____
Manufacturer or supplier : _____
(In case of supplier attach photo copy of the authorization of manufacturer)
List of organization where you have supplied : _____(Attach list)

Signature with seal : _____

E Appendix -5

Institute of Infrastructure, Technology, Research and Management
Ahmedabad

Store and purchase section

Renewal Registration Form

First name: _____

Owner's Name: _____

Full postal address: _____

_____ PIN _____

Email address: _____ Website Address _____

Contact Person's Name: _____

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

Fax No. _____ City _____ Sate _____

TIN No. _____ PAN _____ (Enclosed Xerox Copy)

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

Current Bank Account No.: _____

Manufacturer or Supplier _____

(In case of sopplier please enclose authorization of your Principal)

List of Organisations to which the materials have been supplied:

Item(s) name you want to supply:(Major Category)

Computer, Furniture, Chemical, Glassware, Electronic, Liveries, Medicines, Scientific
Equipments, Stationary, etc. _____

Signature with Seal

Note: Supplier must print CST/TIN No. on their Letter Head/Bill/Quotations

F Appendix -6

Institute of Infrastructure, Technology, Research and Management
Ahmedabad

Store and purchase section

PROPRIETARY CERTIFICATE FORM

I hereby certify to the best of my knowledge and belief that the stores indented for are of proprietary dealers being M/s _____

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

1. _____
2. _____

This is against purchase indent No. _____ Dated _____

**Head of the Department
Signature with Office Seal**

**Indenter Signature
with Office Seal**

Date