PURCHASE POLICY

Objectives:

- To ensure the right item of requisite quality is available at the right place at the right time and quantity and ensure the procurement/purchase at the right price following the laid down administrative and accounting procedures.
- To define procedures including authority and responsibilities thereof in such a way that will facilitate the purchasing authority to meet the following objectives:-
- To purchase materials for the Institute's use within the sanctioned budget most economically and keeping guard of quality and delivery schedules.
- To ensure proper delegation of responsibility and accountability to bring in required efficiency, economy, and transparency in procurement.
- To maintain constant touch with the market condition and explore possibilities of identifying new sources of supply at competitive rates.
- To ensure equitable treatment of suppliers and promotion of competition in procurement.
- Process the supplier's bills promptly to ensure correct and timely payment.
- To maintain the records of all procurements that shall be subject to audit.
- To ensure the provisioning of goods and services as per the requirement of the user.

Roles & Responsibilities:

- The indents are prepared by the respective departments and forwarded to the principal.
- The principal, in turn, forwards the same to the Purchase Committee for evaluation.
- The purchase committee decides upon the nature of the purchase, and other details are scrutinised before finalisation.

- In the case of items that are covered under the approved vendors' list, the purchase committee decides to place an order from the vendors' list.
- In the case of new items, the department submits the quotations along with a comparative statement to make a final decision on such suppliers.
- The purchase order is issued for the items, mentioning all terms and conditions, specifications, mode of payment, etc.
- The items that are required for construction are deleted from the purview of this policy.
- The relevant forms should be used for indenting, evaluating, and issuing the purchase order in a well-defined format, which is part of this policy.

Authority for initiating procurement of goods and services

Stores Department:

- For Study Material, Research Publications, Journals, Suggested Answers, Guidance Notes, and all printed material meant for students, members, or for sale to the general public.
- For all stationary items of common use like photocopy paper, folders, staplers, water jugs, bags, publicity kits, pens, computer stationery, toners, envelopes, note sheets, stamps, consumables for Examination, and all types of other consumables.
- For all printing materials like letterheads, forms, visiting cards, souvenirs, and all other printed materials for official use.

Administration:

- For all types of common services like hiring of vehicles, catering arrangements, all equipment other than IT hardware and software materials, maintenance of civil, mechanical, electrical, and other items, office equipment, and all other office items.
- For all capital items viz. furniture and fixtures, office equipment, mobile, electrical equipment, mechanical equipment, communication equipment, vehicles, and any other capital item other than related to the department of IT
- Department of IT – For all the IT hardware and software, IT capital items viz. computers, printers, laptops, UPS, scanners, servers, software, networking items, website maintenance, and all other items related to Dte. of IT.
- Advertisement – For all types of advertisements and publicity services to be availed of for the Institute, students, members, or other stakeholders including Designing, Printing, etc.

Responsibilities of the Department that initiates the procurement process:

The Department which initiates the procurement process for goods and services shall be responsible for:

Budgetary Control – ensure that budgetary provision is made in the budget, availability of budget for the proposed procurement, and maintain a proper record of the budget availability, expenditure incurred before the proposal, and availability of budget for the proposed procurement.

Administrative approval – obtain administrative approval of the competent authority for the proposed procurement before the procurement process is initiated. It is to be clarified that a provision in the budget is only a pre-requisite for specific administrative approval. Therefore, specific administrative approval for

each item is necessary to be obtained from the competent authority. The approval shall be provided on or attached to the 'Purchase Requisition'.

Timing for initiating the procurement process:

The initiating Department shall ensure that:-

The proposed requirements are accurately worked out based on past consumptions and future anticipation. Over or under-procurement must be avoided. The minimum stock level, optimum order quantity, and re-order level quantity must be clearly defined as far as possible based on past consumption.

Support to the Purchase Department:

The initiating department shall provide support regarding potential suppliers, market trends, past experiences, price justification, etc.

Responsibilities of the Purchase Department:

The Purchase Department shall be responsible for:-

- Maintenance of rate contract for general and routine items of standard goods/services and timely review thereof as per market conditions;
- Procurement of goods and services by the procurement process as given in this purchase policy, financial prudence, and common prevailing practices;
- Obtaining, maintaining, and administering the Performance Guarantees as per the terms of the tenders;
- Processing the payments as per the purchase/work order including the levy of penalty wherever applicable;
- Administration of Warranty / Guarantee in consultation and coordination with the user department;
- Compliance with the terms and conditions of the Purchase / Work Order in each case of procurement;

Responsibilities of the Purchase Committee:

The Purchase Committee shall be responsible to

Recommend the procurement of the goods/ services to the competent authority based on:-

- Administrative approval of the competent authority for the proposed procurement
- Approval of the concerned committee of the council, wherever applicable/ required
- Justification for the quality, quantity, and price of the proposed procurement keeping in view the overall interest of the institute

Modes and Procedure of Procurement:

Depending upon the total estimated cost involved, urgency, and availability of time, the procurement shall be made by the following modes given hereunder:-

- Purchase with quotation
- Purchase without quotation
- Purchase by Local Purchase Committee by market survey

- Purchase under rate contract

Issue of Purchase / Work Order:

Purchase Orders shall be placed strictly in accordance with the approval within the validity period.

- The Purchase Order shall be sent to the successful Company in duplicate advising to return the duly signed second copy confirming acceptance of the offer within seven days from the date of the Purchase Order. However, it should be mentioned that even if the same is not received, the Purchase Order will be treated as a Contract.
- Copies of the Purchase Order shall be sent to the Finance, Stores, and user Departments
- For the additional requirement of the materials which has been procured in the recent past (not older than a year), repeat orders may be given, if the goods supplied by the vendor are of good quality and meet the specific requirement.

Receipt of Goods / Availing of Services:

The dealing official in the goods receiving department, on receipt of goods, shall:-

- Check / Inspect the goods to ensure that the goods received are of requisite specifications, quality, and quantity as per the terms of the Purchase Order
- Certify the Delivery Note regarding receipt of quantity and condition of the goods received along with the date of receipt
- Record the item-wise quantity of goods received in the stock Register

Availing of Services:

In case of availing of services, the concerned official shall certify and confirm that the services provided by the service provider are satisfactory and as per the terms and conditions of the Work Order.

Release of Payment:

- On receipt of the Bill supported by a Delivery Note from the supplier and a Goods Receipt Note from the Stores / User Department or certification about the satisfactory provision of services, the Purchase Department will check the same with reference to the terms in the contract.
- After entering the details of the bill in the relevant records, they should forward the bill along with the Goods Receipt Note and Delivery Note to Finance, for arranging

its payment at least ten working days before the due date of payment as per the Contract/ Purchase Order.

- In case any deduction is to be made on account of short delivery, late delivery, etc. the same shall be mentioned in the Note forwarded to the Dte. of Finance & Accounts for release of payment.

Enforcement of warranty/guarantee:

- A warranty clause should be incorporated in every contract, requiring the supplier too, without charge, repair or rectify defective goods or to replace such goods with similar goods free from defects. Any goods repaired or replaced by the supplier shall be delivered at the buyer's premises without costs to the buyer.