क्रय पुस्तिका

हरियाणा बीज विकास निगम

पंचकुला

PURCHASE MANUAL

HARYANA SEEDS DEVELOPMENT CORPORATION LTD.

REGD. & ADMN. OFFICE
BAYS NO. 3-6, SECTOR-2,
PANCHKULA

EDITION-1992

(N.B. : This purchase manual has been adopted by B.O.D. in their 81st meeting held on 29.6.92)

Subject: **<u>REVISION OF HSDC PURCHASE MANUAL</u>**.

The existing HSDC purchase manual was adopted by the BOD's of **H.S.D.C.** in their 11th meeting held on 30.3.1977. In the preface of the manual it was desired that the Purchase Manual may be reviewed from time to time taking into account the experience of working on this manual and to keep pace with the changing needs.

More. than 15 years have passed since the Purchase manual *Has* adopted by the Corporation. Various changes have taken place in the organization since then.' The value of the items being purchased by the Corporation has increased Considerably" Therefore the limits fixed for floating limited/ open tenders and powers delegated to. The 'Various officers needed to be reviewed. The terms & conditions of the tender form/purchase order: also needed changes. Taking into the consideration the above stated requirements to ensure smooth day to day working, it is proposed to adopt afresh purchase manual. The draft purchase manual is placed before BOD for consideration & approval.

PREFACE

With the increased complexity of materials management functions, written departmental statements of activities have become essential in almost every type of organization. The need for preparing a comprehensive purchase manual does not need detailed elaboration, Plenty of readymade literatures and general guidelines and principles are available but no single standardized system can cater to the needs and situation of every organization. An individual guide has, therefore to be tailored to the needs and requirements of a particular organizations. Taking into consideration this aspect, a Purchase Manual was drafted and got approved by the BOD in April, 1977.. It was felt at the time of drafting first Purchase Manual that although procedures may change, fundamentals do not change. It was proposed that manual should be reviewed from time to time taking into experience of working on the Manual and to keep pace with the changing needs. The revised Purchase Manual is an attempt in this direction.

Procurement of materials, supplies, equipments and services is always a major part of the management functions in an organization and large amount of funds are generally allocated for purchases. This manual is intended to serve as guidelines for organizing the purchase activities of this Corporation and to serve as continuing reminder of duties and responsibilities involved in procuring the required items services and at the same time maintaining fairness and systematic approach to procurement. The manual will also be helpful in training the officers and staff of the Corporation.

It is proposed that the manual should be reviewed from time to time taking into account the further experience to be gained of working on this manual and to keep pace with the changing need.

MANAGING DIRECTOR.

INDEX

SHORT TITLE AND COMMENCEMENT :-

The Manual shall be called , H.S.D.C Purchase Manual 1992. It shall come in force with effect from the date it is approved by B.O.D.

CHAPTER NO 1

DEFINITIONS :-

In these instructions, unless the subject or context other wise requires :

1) CORPORATION :-

Corporations means HARYANA SEEDS DEVELOPMENT CORPORATION LIMITED

ii) **MANAGING DIRECTOR**

Managing Director means Chief Executive Officer of the Corporations.

iii) **PURCHASE INDENT.**

It is form prescribed by the Corporation, which will be used by a requisitioning officer of the Corporation for the proposed purchase of Machinery /Equipments /Goods/ Material.

iv) **INDENTOR :-**

Divisional Head who will make requisition for the purchase of material will be called an indentor.

v) COMPETENT AUTHORITY

Competent Authority means the Corporation or /and such authority as had been delegated powers for certain acts under the various instruction of the Manual and orders issued from time to time

vi) PURCHASE OFFICER.

Purchase Officer means an Officer of the Corporation who has been entrusted the work pertaining to purchase of all items except seeds or any other items specifically excluded by the Managing Director.

vii) PURCHASE PROPSAL :-

A consolidated proposal framed by the purchase officer after scrutiny of the purchase indents will be termed as Purchase Proposal.

C.A.O /SR.A.O./A.O.

C.A.O./Sr.A.O./A.O. means the Chief Accounts Officer/Sr. Accounts Officer/Accounts Officer of the Corporation.

ix) PURCHASE SECTION/DEPARTMENT:

It is a section/department attached to and working under the purchase Officer of the Corporation and dealing with purchase matters.

x) APPRQVED SUPPLIER:

Approved supplier means a contractor/supplier firm from whom the corporation has approved to purchase material from time to time.

Xi) REGISTERED DEALER.

Registered list means a list of the firms/suppliers who have got 'themselves registered for the supply of material with the Corporation and are 9I1 the active list of the suppliers.

xii) D.G.S. & D. AND D.S & D

D.G.S. & D.S. & D means the Director General of Supplies & Disposals, Govt. of India & Director, Supplies & Disposals,. Haryana respectively.

xiii) PETTY PURCHASE:

Petty purchase 'means a purchase, not exceeding Rs. 500/ in value in Value of capital assets nature.

xiv) INSPECTING OFFICER/AGENCY

Inspecting Officer means any officer of the Corporation or agency duly appointed or authorized by the competent authority of the Corporation for the purpose of testing and inspecting the stores.

xv) GOVERNMENT

The Government means the Government of the State of Haryana.

xvi)ACCOUNTS BRANCH:

Accounts branch means a Section/Branch of the Corpn. dealing with the accounts matters in Head Office.

PU RCHAS E COMMITTEE :-

Purchase Committee means a Committee constituted by the competent authority for making purchase of certain specified items on behalf of the Corporation

CHAPTER NO.2.

PROCESSING OF INDENT FOR PURCHASE:

2.1 Purchase Indent shall be made on the appropriate Proformae after obtaining approval of the competent authority The purchase indent shall be duly signed by the concerned Divisional Head and marked to the Purchase Officer. The indentor will ensure before indenting that the approval of the competent authority has been obtained.

2.2. Every effort shall be made to avoid indenting for proprietary 2rti('les to the extent possible. As far as possible specifications shall be made as general as possible SO that the scope of the inquiry is not limited. This will facilitate the process of obtaining competitive quotations.

2.3. An indent approved by the competent authority shall be referred to as a duly approved indent and all duly unapproved indents shall be serially numbered.

CHAPTER NO.3.

3.1

After the indent is approved competent authority, the Purchase Section procurement. All proposals sanctioned by shall be serially numbered and shall also relevant indent number

CHAPTER NO.4

4.1 The indent for packing, treatment and certification material will be given by

Production Section separately for packing of Kharif and Rabi produce immediately after the targets are fixed. The Production Section will intimate 'to purchase section revised requirement if there is any differences between expected and targeted expected production" This will be taken in to consideration by Purchase Section if received before placing supply order. The Purchase Section shall work out actual requirement after taking into account carryover stock and ensure that material is received well in time.

4.2 The requirement of stationery articles/printing proforma is to be worked out by Admn. Section atleast for six months and consolidated indent to be given to Purchase Section"

4.3 Furniture and fixture are to be purchased as and when an approved indent is received by the Purchase Section from Admn. Section .

4.4**.** Other items to be purchased as per decision of the Competent Authority.

CHAPTER NO 5

Mode of Purchase :- The Purchase shall be made through one of the following modes as may be applicable under the condition defined herein under:

i) Purchase through open tenders.

ii) Purchase through limited tenders.

iii) Purchase on single tender **i.e.** without inviting tenders.

iv) Purchase *on* DGS & D /Director, Supplies & Disposals Rate Contract.

v) Purchase through quotations

vi) Petty cash purchases.

vii) Purchases through negotiations.

viii) Purchase from Govt .Offices and Govt. Institutions .

xi) Purchase at the rates and terms & conditions approved by other Govt./Semi Institution

x) Purchase through purchase committees.

xi) Special purchases

5. **Purchase through open tenders :-** For all purchases of equipments material, the estimated Value of which exceeds Rs. 50000/- -open tenders shal1be invited

provided that they may be dispensed with in very exceptional emergent circumstances. In that case, inquiry for limited tenders may be floated for purchase may be. affected through Purchase Committee with the approval of the Managing Director after recording reasons thereof in writing. For purchases of printed proformae and stationery articles, Corporation need not resort to open tender system and, purchases can be affected through limited tenders, Purchases of stationery items etc.. can be made through Purchase committee where estimated value is upto/below Rs. 50,000/-

The notice for inviting open tenders shall be published as under

i) For purchase above Rs. 50, *000/-* but below Rs. 2,50 *000/-* the tender notice may be got published in two newspapers- one having circulation in the state and another having circulation in a state which is considered as Purchase Market.

ii) For purchase of goods above Rs. 2, 50, 000 – NIT advertisement shall be published in at least three prominent newspapers.

The tender forms will be available at the Head Office of the Corporation on payment and shall be non-transferable and. the cost will be non refundable.
The cost of tender form will be as under **:**

When the estimated value of Purchase is upto .2,00,000/-	Rs. 40/-
When the estimated value. of Purchase is above Rs. 2,00,000/-	Rs. 60/-

In all cases where open tendering is resorted to, the tender enquires shall also invariably be sent through the registered post/UPC to the approved suppliers of the Corporation on the registered list simultaneously with the floating of open tender. All the firms whose names appear in the active list of suppliers maintained by the Corporation shall be consid9red as approved suppliers of the Corporation

All tenders received against Open tender enquiry irrespective of whether they are received from the approved suppliers on a registered list or otherwise shall be considered provided they fulfill all the other terms & conditions of the tender and specifications thereof .

5.3. Purchase through Limited Tenders :

Where the estimated value of purchases is upto/ below Rs.50,000/- but above Rs. 10, 000/- the system of limited tendering shall be resorted to by issuing tender enquiries by registered post. UPC to the approved suppliers of the Corporation on Purchases list. Where there is no approved list or sufficient Parties are not registered with the Corporation the enquires may be sent to the parties approved by the Purchase Officer~

5.4. **<u>Purchase through Single tender</u>**:

In case of purchase of proprietary articles or monopoly supplies and also in very exceptional cases of emergent nature, the purchase may be made on the single tender by dispensing with the open/limited tendering procedure with the specific approval of the competent authority subject to the reasons being recorded in detail. Where any part of a specific machinery already purchased is required may be ordered. Directly from the original suppliers and their approved sources. In case of recommendations for purchasing proprietary articles following certificates signed by appropriate authority shall be furnished.

"Certified that the item covered by the indent is of Proprietary nature manufactured by M/S______________________________________and any other substitute is not acceptable for the following reasons".

For Proprietary equipment/material the, indent shall be invariably approved by the Managing Director

5.5 **<u>Purchase on D.G.S &D /Director Supplies & Disposals Rate Contract</u>**

Items available on rate contract or on rates controlled/ approved by the Govt. of India or State Govt. or any other statutory agency may normally be purchased from the manufacturers/principal dealers on the *D.* G.S & D ,/ Director , Supplies & Disposals rate contract and/or from the approved suppliers if the parties agree to supply material/equipment to the Corporation on the D.G..S.& D / Director, Supplies & Disposals terms

When D.G.S. & D/ Director, Supplies &- 'Disposals contracts Or the approved rates referred to above have expired and purchase section is not aware of any fresh rate contract entered into by *D.G.S.* & D/Director Supplies & Disposals of new approved rater if any, the item shall be procured through open or limited tenders as may be appropriate in each case. However, in such cases the enquiry shall also be/sent by registered post/ UPC to parties who were earlier on the D.G.S. & D/Director, Supplies & Disposal rate contract or on approved' supplier's list.

Purchase of items borne on rate contract with *D.G.S.* & D/ Director, Supplies & Disposals may also be made outside the rate contract whether from the same party or others if the prices of the other firms are more favourable to the Corporation than those provided for in the rate contract concerned Approval of the competent authority will, however be necessary in such cases.

5-6. **Purchase though local quotation**:

For purchase valued above RS..500/- but not exceeding Rs .10,000/- it will be. sufficient to obtain at least three quotation from the local market. and accept the competitive rates approved by the Competent Authority

5.7. **Petty Cash Purchase**.

Not withstanding any thing contained- in these rules, petty purchases not exceeding Rs.500/- on each occasion may be made on cash and carry. basis after orally ascertaining the lowest rates and recording a certificate to this effect. . Payment in respect of such petty purchases may be made from the impresst available with the Purchase Section/Care Tater.

5.8. **Purchase through negotiations :-**

In case it is observed that tenderers a in open tender enquiry or limited tender enquiry have pooled together and the prices offered' are higher than the normal expected price 'or the quantities of the goods are offered by a few tenderers only or where the purchases are of bulk nature and single party may not be in a position to supply or due to any other reason, if felt necessary the negotiations may be carried out jointly by a committee consisting of MD, CAO/Sr.A.O Purchase Officer and concerned Divisional Head or his representative or as nominated by Managing Director under special circumstances. The rates by negotiations may be accepted after recording the reason for negotiations and proceedings of the negotiations.

5.9. **Purchase from Govt. Offices and Govt. Institutions**

In case of purchase of goods available from Government Offices or Government Institutions conforming to the standards, specifications and quality of the goods required such purchases may be made from the Govt. offices and Government Institutions provided there is no difference in the rates quoted by Government Offices/Institutions and the lowest rate quoted by the other parties While tendering or offering the quotations . Purchase from Government Offices/Institutions may also be made without inviting quotations or tenders provided the competent authority is satisfied that the rates offered by Government offices/ Institutions are competitive/reasonable.

5.10 **Purchase through purchase committee**.

In case of very exceptional and emergent circumstances, the purchases can be made by the .purchase committee nominated by the competent authority. This procedure is to be resorted to only in the 'following circumstances:-

i) When the material/ equipment is required urgently and the competent authority is satisfied that it would not be possible to arrange the supply according to consumption schedule if usual prescribed procedure is followed.

ii) When. there is no response against tender floated by the Corporation or only a few firms offer the rate and competent authority feels that the rates offered are not reasonable or the firms who have submitted offers will not be able to meet the requirement within specified period for their production/financial limitation or the tenderers are not genuine.

iii) If any firm with whom order has been placed fails to supply goods within the stipulated period and Corporation feels that the supplier is not in a position to executed to order, the risk purchase can be made by the committee.

iv) When the specifications are not clear & purchases are to be made by showing sample or giving clarifications.

Such committee shall visit the station where sufficient firms deal in the item(s) proposed for purchase and would collect written offers and decide regarding g placement of order on merits. Such purchases shall also be communicated to accounts section.

5.11 Purchases at the rates and terms & conditions approved by the Govt./Semi Govt. offices :-

In case of purchases of goods of similar standards/ specifications and quality required by the Corporation for which order(s) has/have been placed by any Govt. office or Govt. Institution

and competent authority is satisfied that the order has been placed at competitive/reasonable rates, the H.S.D.C. can ask the supplier to Supply material at the same rate & terms & conditions to save time and to minimize purchasing costs.

5.12 Special purchases:

Purchases of items such as gifts/ diaries etc., approved by the Managing Director, whose standard specifications are not easily availab1e may be made by the committee nominated by the Managing Director after ascertaining the rates verbally or in writing from the local Market by showing the sample. Such purchases may also be made from the reputed firms at their whole sale price provided competent authority is satisfied. about the reasonability of the rate

Issue of tender enquiries:

6.1 After consolidated item wise in indents of equipment and .material required have been prepared, the Purchase Officer will initiate procurement action by inviting open, limited or single tenders, quotations etc., as may be appropriate, in each case in terms of the rules mentioned herein before, clearly indicating quantities and specifications of the .material to be purchased. The tender form or enquiries by limited tendering shall be accompanied the following Documents

i) Terms and conditions of the contract(2 copies) and Complete Specifications of the item(s) proposed for purchase.

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ii) Instructions to the Tenderers (one copy)

6.2 The notices so issued whether for open, limited or single tenders shall invariably be entered in the register Or enquiries/tender/notices maintained in the purchase section and a specific serial number shall be allotted to them in the same order. NIT shall clearly specify the date and time by which the quotations must reach the purchase section as well as to be opened. when Open tenders are invited it shall be ensured that the copies of the NIT are issued to all the. active Registered Suppliers on the approved list by UPC. In the case of limited tendering also, the NITs shall be issued to the parties by registered post/UPC.

6.3 The tenderers will be asked to quote their rates as well as the schedule of delivery for each item included in the NIT and return the tender form along with the terms and conditions of contract attached there to duly signed at each page thereof.

6.4 Sufficient time shall be given to the tendering firms to be able to quote depending upon the types of equipments/material and the quantity required Normally, 2. weeks and 3 weeks time shall be given for the receipt of tenders for limited & open tenders respectively.

6.5 Tenders received by post or in person shall be kept by the official authorized in a locked almirah/safe date wise and arrangements be made to ensure that these are taken out on due date dates and opened along with tenders received on due date.

6.6 For tenders when the estimated value is. Rs. 20,000/.-Or more., representatives of the tendering firms shall be allowed to attend the opening of such tenders. The time for opening of the tenders shall be intimated in advance in the Notice Inviting tender/limited Tender. Prices, delivery period, validity and any other special conditions quoted by the different tenderers shall be read, out to them Once a tender or a quotation has been received no alternations 0r modifications shall be allowed to be made in the tender.

CHAPTER NO.7

7.1 Late Tender

Ordinarily tender(s) received after the prescribed date & time of the receipt of the tender shall not be considered. However, late tender can be considered by the competent authority only in exceptional cases where no adequate competitors are available and inviting fresh tenders is un economical to the Corporation or competent authority is satisfied that tender was posted well in advance before due date and its consideration is in interest of the Corporation.

CHAPTER NO.8

8.1 Telegraphic Tenders :-

Ordinarily, telegraphic tenders should not be entertained . However, telegraphic tenders received against invitation to tender can be considered provided.

i) Telegram is received before the opening of tenders.
ii) The Telegraphic offer is complete in all respects with regard to price, item wise price where necessary delivery and other essentials.
iii) A confirmatory copy of the telegraphic offer sent by post shall be received within 3 days from the date of telegraphic offer along with a copy of tender is posted on or begore the date of opening of tenders and is accompanied with prescribed amount of earnest money & other relevant papers.

8.2 Any correction/overwriting/cuttings in the tender, particularly regarding price and delivery shall bear the signature of the tendering firms the corrections. While opening the tenders such corrections , etc. shall also be encircled and signed by the officers of the Corporation, who are witnessing the opening of the tender. The tender in which corrections etc. are made by the firm in respect of the rate and delivery etc. bearing no signature of the authorized representatives of the firm is liable to rejection.

8.3. Emphasis should be laid on the tenderer that tenders sealed in all cases. The inner and outer cover, containing the tender shall carry the word' Tender marked on it and shall indicate the date of opening and enquiry No etc .No cover of the Tender shall be opened by the Dak Receipt Section. This may be transferred immediately to the official authorized to keep tenders. But in case when there is no indication of being tender on the outer envelope, the outer envelope may be opened by the Dak Receipt Section. On confirmation that it is a tender the same be handed Over to the authorized official immediately,

CHAPTER NO. 9

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OPENING OF TENDERS

9.1 The tenders shall be opened on the due date and the , Specified time in the presence of at least three officers . Ordinarily The tenders will be opened by the junior committee Consisting of second line officers) if the estimated value of tender is uptoP-s.50,OOOj.- and by the senior committee(consisting of Divisional Heads) if estimated value of tender is above Rs.50,OOO/- . The committee will be nominated by Managing Director.. However *in* the absence of the Managing Director the committee could be nominated by the Divisional Head (Incharge Purchase) in anticipation of MD's approval

9.2 All the officers who happen to be present at the time of the tenders opening will put their dated intials on the cover containing the tender and on all pages of tender papers so opened and also encircle & initial any corrections, cuttings etc. the rates and /or any important ter/condition noticed at the time of opening of tenders.

9.3 **Samples, if any, received with the Quotations**.

The samples so received with the tenders will be retained by the Purchase Officer in his personal custody under lock & key. After opening the tenders, the samples except those relating to successful tenderers must be collected by the un-successful tenderers on a date to be specified by the Corporation failing which the samples will become the property of the Corporation and no claim thereafter will be entertained.

9.4. Where for any unavoidable reasons the tenders can not be opened on the due date prescribed in the NIT , the date shall be extended with the approval of the Competent Authority and such extended will be notified to all concerned. In no case the due date for opening of tenders prescribed in the NIT shall be advanced to an earlier date. In case the date of opening falls on a holiday or a holiday is subsequently declared on that date, the tenders will be opened on the next working day following the holiday

9..5 **Prices:**

As far as possible the prices accepted shall be firm. In case the party has made a genuine mistake party in calculations and there is no alternative, actual extra may be allowed with the concurrence or the competent authority on the supplier producing proof to the competent authority. However, in such case the Corporation shall have the right to review the whole case and take suitable decision. Where the Corporation is not able to obtain firm prices and variable prices have to be accepted, on easily verifiable formula which can be checked from published date and may be agreed to an a specific clause to this effect and the formula shall form one of conditions of the contract. All cases where variable prices have to be accepted shall be communicated to the CAO. As far as possible attempts shall be made to fix a ceiling upto 10% to 20% over the quoted price.

9.6 **Sales Tax:-**

The Purchase officers shall ask the tendering party to indicate clearly in their tenders, if the sales tax is included in the price quoted or is extra over and above the rates quoted. If it is extra, the tendering firms shall be asked to specify the rate of Sate Sales Tax/CST.

9.7 **Cash Discounts**:

Where suppliers offer cash discount. These shall be taken into consideration while considering tender where cash discounts are accepted, these shall be included separately as a term of the contract and the Chief Accounts Officer specifically be asked to ensure that. the payments is made within the time limit stipulated so that the cash discount is availed of. It shall be the duty of the Accounts Branch to ensure that the cash discount is obtained.

9.8. The purchase section shall put up detailed proposals for placement of order{s),.obtain sanction of the competent authority and ensure supply order is placed at the earliest but in any Case before expiry of validity period.

CHAPTER NO 1 0 .

1.0.1 **Placing of purchase orders**

Before obtaining approval of competent authority for placing any purchase order where amount exceeds 50,000/- the purchase proposal along with relevant file shall be sent to CAO. If CAO is not available then to SR .A.O ./A.O. for pre-audit. Besides pre-audit the CAO/Sr. A. O./A.O. will also scrutinize the following points:

i) That reasons for passing over the lowest tender are recorded and these are not obviously incorrect.

ii) Intents and proposals for placing purchase order(s) are not split up in order to avoid obtai executive sanction

iii) That the specifications were not unnecessarily restricted

iv) That sufficient number of parties have been addressed and quotations obtained and tenders enquiries have been issued to parties

v) Sufficient time has been given to the con tractors/parties to submit tenders.

iii) For single tender enquiry whether the equipment are certified as proprietary

vii) Where repeat orders are being placed, whether the conditions specified are being followed meticulously.

vii) That tenders have been opened on due dates by the officers authorized and correct procedure followed.

iv) That the abstract of tenders/comparative statement is correct & overall evaluation has been properly done.

v) That the demands have been bulked where necessary.

vi) In case of discount clause exists, the advantage of same is to be availed or not to be availed of by the Corporation.

Where any discrepancies are noticed, the pre-auditor shall discuss the matter with the concerned official so that necessary action regarding amendments or a revised sanction, if necessary is obtained.

Competent Authority : For sanctions of purchase on the basis of tenders/quotations invited, the competent authority will be as under :-

1)	For Purchase on the basis of lowest rates quoted	Managing Director (Full Powers)
2)	For all purchases over Rs.20,000/- in each case on the basis of ignoring lowest rates quoted or on the basis of single tender	Managing Director in consultation with CAO
3)	For purchases upto Rs.20,000/- in each case on the basis of ignoring lowest rate quoted	Managing Director
4	For purchases upto Rs.5,000/- in each case on the basis of lowest rate quoted.	Divisional Head (Incharge Purchase)
5)	For purchases under Rs.1,000/- of non-capital assets	Manager/Regional Managers
6)	For petty purchases of non-capital assets nature exceeding Rs. 500/-	Sectional Head (Purchase)

10.3 For other powers the competent authority will be as under :-

1. Refund of Security deposit	**Managing Director**
2. Refund of earnest money of unsuccessful tenderers.	**Divisional Heads (Incharge Purchase**)
3. To extend delivery period if order is above Rs.50,000/-	**Managing Director**
4)To extend delivery period if order is for 50,000/- or below	**Purchase Officer**
5) To waive late delivery penalty after delivery including extended period.	**Managing Director**
6) To relax any term whatsoever including relaxation in the clause pertaining to earnest money /Security deposit etc.	**Managing Director**

10.3 All purchase orders shall be placed on prescribed All purchase orders shall be signed by the Purchase Officer or any other authorized officer of the Corporation. The copies of purchase orders to be endorsed to Accounts Section, consignees & Indenting Section..

CHAP'TER NO. 11

11.1 **Conditions of contract**

General conditions of contract will be attached with tender form/Tender letter However, special conditions, if any. will also be mentioned in the Purchase Order. The conditions of contract will be followed as far as applicable while issuing and dealing with purchase order. 'General conditions of the contract should be reviewed by the Purchase Officer based on the experience gained and clause be redrafed from time to time with the legal assistance if felt necessary. Such revisions shall be approved by the competent authority . Any unacceptable condition included by the supplier in its tender shall be discussed with concerned tenderer and the terms, if deemed necessary, shall be revised by the competent authority

CHAPTER NO 12

12.1 **Inspection of Material**:- The inspection and tests shall be arranged at the suppliers premises before the material is dispatched to the Corporation or after receipt of material as may be decided in 'each case an a copy of inspection/test report is cases where the inspection has been carried out prior to dispatch shall be attached by the supplier in original while forwarding Railway receipt of Transport Receipt or the receipted goods challans as the case may be. The supplier shall be required to give at least seven days notice to the Purchasing Authority to arrange for the inspection of goods offered for dispatch on different occasions.

12.2 The material inspected/tested by the Inspection Officer of the Corporation at the suppliers premises shall be duly marked with a clearly distinguishable identification mark so as to ensure that the material dispatched by the supplier is the same which was inspected and approved. Inspite of that, if the consignee finds any defect in the material sop received or short receipt from the supplier, he will promptly bring it to the notice of the supplier and purchase officer and also contact surveyor for arranging survey report.

12.3 In addition to the inspection and tests, it may be necessary in certain cases to prescribe the submission of test certificates issued by the supplier's own laboratories or any other agency specifically mentioned in the Purchase Order.

12.4 In case the Inspecting Officer finds on arrival at the suppliers premises that the material was not ready for inspect , and that the notice given by the supplier was infractous the Expenditure incurred by the Corporation on arranging for such inspection shall be recovered from the supplier

CHAPTER 13

AMENDMENT TO PURCHASE ORDER

13.1 Amendments to Purchase Orders involving changes in specifications, quantity, prices, place of delivery etc. shall be seriously viewed. Where amendments can not be avoided the Purchase Officer shall ensure that theses do not result in acceptance of less favourable terms or similar or less efficient machine/material that originally ordered unless its performance for the purpose required is guaranteed and suitable reduction in price obtained. Such amendments shall be approved by competent authority within whose powers the revised case falls. The interest of the Corporation will be safeguard at every step while deciding/incorporating amendments to the Purchase Order.

13.2 The extension of delivery period may be approved by the authority competent to approve the purchase as mentioned under 10.2. In case the cost of the equipment/materials is more then Rs.50,00O/- approval for extension in delivery period will be taken from the Managing Director The Chief Accounts Officer will also be informed accordingly.

13.3. Where alternative mode of transport becomes necessary in view of any changes or experience of requirements and if this results in an increase in price, the case shall be decided by the authority within whose powers the revised total price falls. However, if the total cost of the item including the additional transportation cost exceeds the original cost by more than 10% concurrence of the Managing Director shall be taken and the Chief Accounts Officer will be informed accordingly

13.4 In addition to general conditions of the contracts, special and specific conditions of the contract like the quantity, description of the item ordered, price agreed , time of delivery, mode of dispatch, freight payable, sales tax applicable shall be specifically indicated in the purchase order.

13.5 The Corporation shall not have any liability whatsoever arising out of purchase made by without purchase order or with with purchase orders which have not been signed by the Officer mentioned above, after following the procedure laid down. In the event of claims arising out of orders placed by any individual other than as stipulated above, that individual shall, be held solely, wholly and personally responsible for such orders and will be dealt with accordingly.

CHAPTER NO. 14

14.1 **Progress of purchase order**: Progressing of purchase orders shall be responsibility of the purchase section until the equipment /material is delivered. The follow up shall be ensure, Records of delays shall be maintained and where these persist these shall be taken into account while considering placing future order.

CHAPTER NO .15

Penalty on delayed Supplies - Risk purchase and set off etc..

15.1. The time allowed for delivery will be the essence of the supply order . In case of delay in execution of the order the Corporation may be cancel order without any compensation and the supplier may be liable to a penalty as mentioned below subject to a maximum of 15% and the same shall be recoverable either from the earnest, money/Security or from the pending bills of the supplier or from any other deposits / securities Etc. lying with the Corporation or through court of law, as the case may be. The decision of the Managing Director of the Corporation in this behalf shall be final and binding on the tenderer. Supplies/consignments received after the date on which they were actually due according to the terms of the purchase order will liable to be rejected by the consignee In case the purchasing authority decided to accept a delayed supply, the supplier shall still remain liable to pay penalty for delay as mentioned hereunder:-

Schedule of penalty on the Value of undelivered material per week or part of the week

i)	Ist Week.	0.5%
ii)	2nd Week	1.0%
iii)	3rd Week	1.5%
iv)	4th Week	2.0%
v)	Subsequent week	2.0 % per week subject to maximum 15%

15.2 In case of delay or non supply of any or all material on the dates they are due. the purch2ser shall have the right to refuse to accept such delayed supply and to make the purchase of material so delayed Or not supplied, from any alternative source, at .the sole risk and cost of the supplier. Any extra expenditure incurred on such purchases shall be recoverable in full from the supplier in addition to the purchaser's right/claim for liquidated damages.

15.3 Any sum of money dye and payable to the supplied under the contract (including security deposit returnable to the supplier) may be appropriated by the purchaser and set of against any claim of the purchaser for the payment of a sum of money arising out of or under this contract or any other contract enterd into by the supplier with the purchaser.

15.4 If the material is dispatched by the supplier after the expiry of. the delivery period without any approval from the purchasing authority, such a supply will be the liability of the supplier and will be at his risk.

15.5 The responsibility for watching the progress of supplies in respect of each purchase order and a rigid adherence by the supplier to the delivery schedule right upto the completion of the purchase order, shall rest with the purchase Department ,which shall take necessary timely action to issue warning /notice to the supplier with a view to getting the supplies expedited.

15.6 In the event of any doubt or in case anything is not incorporated/clear in the instructions, the procedure adopted by the Director, Supplies and Disposal, Haryana shall e followed

CHAPTER NO.16

Cancellation of Purchase Order.

16.1 An order will be subject to the cancellation without compensation only jf the supplier has failed to abide by' the terms of the contract. If cancellation is necessary in full or in part due to changes in the requirements of the Corporation, such cancellation shall be mutually agreed upon with the suppliers. It shall be the Corporation's policy to keep cancellations to the minimum. All cancellations must be approved by the Competent Authority and communicated to C.A..O and consignees.

CHAPTER NO. 17.

Issue of Repeat Order :-

17.1 In emergent cases where inviting of tenders seen to be uneconomical as well as time consuming the Corporation may issue a repeat order. in favour of. a firm/supplier keeping in view its past record within three months from the faithful completion of its supplies to the extent of 50 % on the same terms and conditions as contained in the last order and without observing purchase formalities with the approval of the Managing Director.

CHAPTER NO. 18

GENERAL CONSIDERATIONS:

18.1 For efficient materials management. for purchase of repetitive items material planning and programming, review of relevant data are essential. For this purpose, selective inventory control system based on ABC analysis shall be adopted for which it will be necessary to determine the following

a) ABC analysis according to values *of* annual consumption in rupees.

b) Economic order quantity/ the number of economic orders per annum.

c) Safety stocks and

d) Stocks level

Annual programme for purchase of repetitive items be worked out by the Purchase Officer A time table for indenting and purchase of such items shall be laid down. Advantage of regular purchasing and distributing the work evenly through out the year shall be given due consideration

A.B C Analysis

The Purchase Officer shall divide the regular store items in terms of value of annual consumption rupees of each item. This shall be done well before the commencement of the financial year

The financial limit indicating status of any item may be made and the basis of the guideline shall be as given below :-

A. Items Representing an annual consumption of above Rs.1,00,000/-

B. Items Representing an annual consumption of Rs 50,000 and above but below Rs.1,00,000/

C. Items Representing an annual consumption of below Rs. 50,000/-

The purchase officer will work out the ABC analysis.

The inventory of ‘A” and ‘B’ items needs pin point control determination of minimum and maximum stocks of those items, their replenishment from time to time shall be reviewed by the concerned officers. On the contrary the procedure for ‘C’ items shall be simple. There should be constant review and feed back from the indenting departments. Entries and prompt adjustments will have to be made on account of major changes due to unforeseen circumstances.

‘A’ items should be forecast within (+) 10 % accuracy, ‘B’ items within (+) 15 % accuracy. For ‘C’ items (+) 20 % accuracy may be allowed except where the estimates of the requirement can be calculated precisely. The forecasts so made shall be approved by the competent authority.

For ‘A' items which are of high value and where requirements are continuous, supply shall be arranged in installments at frequent intervals depending on the inventory policy and purchasing policy to be decided by competent authority of the Corporation and the terms of supply to be agreed upon.

For 'A' items it is advisable to hold safety stocks at the minimum possible level. This is essential for holding down inventory cost. Constant review to take care of the charges in requirements and supply position regular and preventive follow up and expediting of purchase orders and very close watch of the stocks, position shall be ensured by the Purchase officer

For large number 'B' items also it is better to calculate on the basis of cycle time consumption with supply in regular and frequent installments. For ‘B’ items, the safety cushion shall be one what intermediate between ‘A’ & ‘C’ items. The margin shall fair rather that ample Items of category ‘C’ are of small value, stocks out of ‘C’ Items may cause a great deal of trouble or loss out of all proportions of its value. It is therefore necessary to keep ample safety stocks of ‘C’ items

Determinations of safety stocks is based on the range of variations of lend time or cycle time, consumption and possibility of stocks out and the degree of protection required against stocks outs. For the purchases of determination of safety stocks. It is desirable to study the pattern of past consumption for as long as time as possible as well as the trend to future consumption

18.3 Preliminaries and Purchases:

A Consolidated list containing the name of items together with the quantities required at a particular time/for specified period on the basis of approved indent(s) received by Purchase Section would be prepared by the Purchase Officer as indicated hereinbefore. This purchase indent may be then submitted for approval by the competent authority

18.4 **TENDERING:**

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In order. to enter into an agreement of the supply of ,running contract items the Purchase Officer would obtain the approval of the competent authority and invite tenders. The guidelines set for tendering shall be followed.

18.5 **Proposals and Purchase Orders**

On the basis of the information obtained the purchase officer shall submit self contained proposals to place order for various items The proposal shall be sanctioned by the competent authority to place orders with the approved suppliers. On the basis of the sanctioned proposals, the purchase orders shall be placed following the general guidelines.

18.6 **Additional Considerations**

Where the materials are rejected, the Regional Manager /Manager of the consignee shall accordingly intimate the supplier within 7 days of inspection under intimation to Head Office. The Purchase Officer shall take up the matter with the supplier within 15 days of inspection of material if the material can be accepted by suitable modification with or without price reduction. If the materials are, not acceptab1e, the reasons for rejection shall be intimated. The supplier shall be asked to remove the store things within a specified time limit or Purchase officer shall ask the concerned Regional Manager/Manager to return the material at the suppliers expenses to the supplier indicating the mode of dispatch. Where replacements are required the suppler shall be asked accordingly under intimation to consignee. In case, the supplier does not care to remove the material within the stipulated time it will lie at the sole riks and responsibility of the contractor. The Corporation reserves the right to dispose of the material and sale proceeds may be adjusted against any expenses incurred /to be incurred by the Corporation in connection with such disposal after issuing a notice and a after lapse of a reasonable period.