



OFFICE OF THE REGISTRAR
INDIAN INSTITUTE OF ENGINEERING SCIENCE AND TECHNOLOGY, SHIBPUR
AN INSTITUTE OF NATIONAL IMPORTANCE
(FORMERLY BENGAL ENGINEERING AND SCIENCE UNIVERSITY, SHIBPUR)

No. RMS/5811/17

Dated: 27/3/17

Order

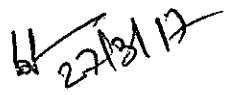
This is for information of all concerned that the Board of Governors in its 5th meeting held on 23rd November, 2016 and confirmed on 28.02.2017 (vide Resolution No. 05.19) approved the proposal regarding purchase policies and delegation of financial power in IEST, Shibpur submitted by Prof. Kalyan Kumar Chattopadhyay, Chairman, Committee for Preparation of Purchase Policies and Delegation of Financial Powers and resolved that the General Financial Rules of the Government of India (GFR) be followed. A copy of the proposal is enclosed.

Sd/-
(Dr. Biman Bandyopadhyay)
Registrar

Encl: As stated above

Copy forwarded for information and necessary action to:-

- 1) The Director, IEST, Shibpur
- 2) All Deans/Heads of the Departments/Directors of Schools/Heads of the Centres
- 3) Chairman, Central Purchase Committee
- 4) All Officers
- 5) Institute Website


Registrar
IEST, Shibpur

Dr. Kalyan Kumar Chattopadhyay
Professor
kkc@civil.iiests.ac.in

Date: 11th November, 2016

To
The Registrar
IIEST, Shibpur


Sub: Submission of the draft of the proposed purchase policies and delegation of financial powers

Dear Sir,

As directed by the Director, IIEST, Shibpur, I am herewith submitting the draft of the proposed purchase policies and delegation of financial powers for IIEST, Shibpur prepared following GFR 2005 and Purchase Procedure of NIT Trichy, for placing in the forthcoming Finance Committee meeting and subsequent submission to the BOG meeting.

Thanking you,

Yours sincerely,


11.11.2016
Prof. Kalyan Kumar Chattopadhyay

Chairman
*Committee for Preparation of Purchase Policies
and Delegation of Financial Powers*

Sr. Sanyal Kunder
As Pyon Kunder
Hm

At
11/11/16

Indian Institute of Engineering Science and Technology, Shibpur
Proposed Purchase Procedure, 2016
(Based on GFR 2005 and Purchase Procedure of NIT, Trichy)

1. Procurement of Goods

1.1. Definition

Goods: The term Goods used in this section includes all articles, material, commodities, furniture, fixtures, raw material, spares, instruments, machinery, equipment, industrial plant etc. purchased or otherwise acquired for the use of Institute but excludes books, publications, periodicals, etc. for a library. (Ref: Rule 136 of GFR 2005)

Department: The term Department used here includes Department/ Centre/ School/ Central Facilities (Library, Workshop, etc.)/ Cells (e.g., Industry Institute Partnership Cell)/ Office Units.

Head of the Department (HOD): The authority designated as Head of the *Department*.

Fund: Fund available for utilizations, including Institute Fund, Project Funds, Consultancy Funds, Testing Fee Fund, Donations, Sponsorship, Collected Funds, etc.

Purchase: The term Purchase used here includes purchase of Goods, Instruments, Software, Furniture, Fixture and Items for Stores. It also includes Execution of Works, Maintenance Works and Hiring of Services. Rules described here are applicable to any such purchase to be made by the *Department* from the available *Funds*, but excludes purchase of books, journals and learning materials to be made by the Central Library.

Purchasing Authority: This term describes a Professor/Officer having the authority to purchase. Financial limits of a purchasing authority are mentioned in section 3.

1.2. Purchase of Goods without Quotation

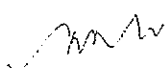
Purchase of goods up to the value of Rs. 15,000/- (Rupees Fifteen Thousand) only on each occasion may be made without inviting quotations or bids on the basis of a certificate to be recorded by the competent authority in the following format.

"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 of Purchase Initiator

Counter signed by HOD

(Ref: Rule 145 of GFR 2005)



1.3. Purchase of Goods by Purchase Committee

Purchase of goods costing above Rs. 15,000/- (Rupees Fifteen Thousand) only and up to Rs. 1,00,000/- (Rupees One lakh) only on each occasion may be made on the recommendations of a duly constituted Departmental Purchase Committee (as per Section - 2). 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. "

Signatures of purchase committee members

(Ref: Rule 146 of GFR 2005)

1.4. Purchase of Goods by Obtaining Bids

Except in cases mentioned in sections 1.2 and 1.3, procurement of goods can be done by following the standard method of obtaining bids in:

- (i) Advertised Tender Enquiry;
- (ii) Limited Tender Enquiry;
- (iii) Single Tender Enquiry.

(Ref: Rule 149 of GFR 2005)

1.5. Purchase of Goods Costing above Rs.1,00,000/- up to Rs. 5,00,000/- (Limited Tender Enquiry)

Purchase of goods costing above Rs.1,00,000/- (Rupees One lakh) only and up to Rs.5,00,000/- (Rupees Five lakhs) only on each occasion may be made from India or abroad following Limited Tender Enquiry. Copies of bidding document should be sent directly by speed post/registered post/courier/e-mail to the prospective suppliers. The number of supplier firms in Limited Tender Enquiry should be more than three. Further, web based publicity should be given for limited tenders. Efforts should be made to identify a higher number of approved suppliers to obtain more responsive bids on competitive basis. (Ref: Rule 151 of GFR 2005)

Depending on the nature of the goods and specifications, either single bid or two bid procedure can be followed. The minimum time to be allowed for submission of bids should be two weeks from the date of notification on the Institute website.

Tenders shall be opened in presence of willing bidders/agents. Selection of bidder shall be made from the technically responsive bidders. Usually the technically responsive bid with the lowest rate is to be selected. In cases where the lowest bid is not accepted, reasons should be recorded.

If the number of technically responsive bids received is less than three, tender should be invited afresh. During re-tendering, efforts should be made to inform maximum number of prospective bidders. In case of sophisticated and specific scientific/engineering equipment, if the number of technically responsive bids received is again less than three against re-tendering, the department

may constitute an expert committee comprising departmental and external experts to examine the requisite technical specifications, price, suitability of the equipment offered in bid and may recommend accordingly. Central Purchase Committee will recommend the selected bidder and purchase price, based on the Tender Process followed and the recommendation of the Departmental Purchase Committee.

1.6. Purchase of Goods Costing above Rs. 5,00,000/- (Advertised Tender Enquiry)

Purchase of goods costing above Rs. 5,00,000/-(Rupees Five lakhs) only on each occasion may be made from India or abroad on the recommendation of the Central Purchase Committee (as per Section - 2).

Tender notice should be given in the Institute website as well as on the CPP Portal (Ref. 10/1/2011-PPD, dated 17.05.2016), and a brief referral advertisement should be given in at least one leading daily. [The Brief referral advertisement will contain only certain title information such as name and location of the scheme, last date for submission of tender, names of the websites where details are available].

For purchasing plant, machinery, etc. of complex and technical nature, tenders may be invited in two parts under two-bid system: i) Technical bid and ii) Financial bid. The technical bid will consist of all technical details along with commercial terms and conditions; whereas the financial bid will indicate item-wise price for the items mentioned in the technical bid. (Ref: Rule 152 of GFR 2005)

Ordinarily, the minimum time to be allowed for submission of bids should be three weeks from the date of publication of the tender notice or availability of the bidding document for sale, whichever is later. Where the department also contemplates obtaining bids from abroad, the minimum period should be kept as four weeks for both domestic and foreign bidders. (Ref: Rule 150 of GFR 2005).

Selection of bidder shall be made from the technically responsive bidders, based on their financial bids. CPP Portal should be referred for this purpose. If the number of tenderers/bidders qualified in the technical bid is less than three, tender should be invited afresh. If the number of bids received is again less than three against re-Tendering, the department may constitute an expert committee comprising departmental and external experts, to examine the requisite technical specifications, price, suitability of the equipment offered in bid and may recommend accordingly.

1.7. Late Bids

In the case of advertised tender enquiry or limited tender enquiry, late bids (i.e. bids received after the specified date and time for receipt of bids) should not be considered. (Ref: Rule 153 of GFR 2005)

1.8. Single Tender Enquiry (Proprietary Items)

Procurement from a single source may be resorted to in the following circumstances:

- (i) It is in the knowledge of the user department that only a particular firm is the manufacturer of the required goods.

- (ii) In a case of emergency, the required goods are necessarily to be purchased from a particular source and the reason for such decision is to be recorded and approval of competent authority obtained.
- (iii) For standardisation of machinery or spare parts to be compatible to the existing sets of equipment (on the advice of a competent technical expert and approved by the competent authority), the required item is to be purchased only from a selected firm.

(Ref: Rule 154 of GFR 2005)

In such cases, 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 can be done on the basis of a single quotation irrespective of the value of the item. However, in such cases, a proprietary certificate must be obtained from the supplier stating that they are the only/authorized source of supply/manufacture.

For replacement of small value spare parts of an already existing equipment, if a proprietary certificate is not available from the supplier, the members of the Departmental Purchase Committee shall furnish a certificate in the following format for acceptance of single tender -

"Certified that the parts recommended for purchase are of proprietary in nature, of requisite specification and quality, and the recommended supplier is reliable and competent to supply the goods in question."

(Signatures of the Members of the Departmental Purchase Committee)

If the purchase value is more than Rs. 1,00,000/-, recommendation of the Central Purchase Committee is to be obtained before placing the order.

[Note: In case of purchase of a specific proprietary scientific/engineering item required for its quality/efficiency for a particular lab, the department is required to identify two experts from IITs/NITs/reputed Universities/reputed national laboratories for the purchase of such item. Opinion of these experts on the quality/efficiency and/or the proprietary nature of the item (if applicable) should be obtained through email and should be enclosed with the other documents for the further processing. If available, the department may also submit the contact details (name, address and phone number) of the two institutions where the particular equipment (or the most recent model) has been procured and is operational. This will help to ensure the performance quality of the equipment before purchase order is placed.]

1.9. Purchase of Books and Learning Materials for Library

Since a particular book, or journal or a learning material is published by a particular publisher, procedure mentioned in sections 1.2 to 1.7 is not applicable. However, since these are supplied by the authorized distributors/ book-sellers of the publisher, selection of a particular distributors/ book-seller should be based on the availability of maximum discount (at least equal or higher than the rate prescribed by the Institute) on the price of the book. In case of journals and learning materials, quotations from the publisher/authorized agent shall be obtained, and the order may be

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placed after getting the recommendation from the Departmental Purchase Committee/Central Purchase Committee, as appropriate.

1.10. Repeat Orders

For procurement of same items, repeat orders may be placed upon, subject to the following conditions: -

- (i) The repeat order can be made with no change in the rates, specifications as well as terms & conditions of supply.
- (ii) The repeat order shall be placed within six months' time from the date of placing the purchase order after ensuring that there is no significant reduction (more than 10%) in the cost of the item(s).
- (iii) No repeat order will be placed if buy-back is involved in the purchase.
- (iv) Any amended order shall not be considered for repeat order.
- (v) The repeat order may be placed only one time from the same department for a quantity equal or less than that in the original purchase order.
- (vi) Repeat order may be allowed once by any department other than the one that placed the original purchase order, for a quantity equal or less than that in the original purchase order.
- (vii) Repeat order may not be placed based on another repeat orders of same item(s).

1.11. Purchase of Rate Contract Goods

In respect of all goods covered under the Rate Contracts (RC) concluded by the Directorate General of Supplies & Disposals (DGS&D) and National Informatics Centre Services Incorporated (NICSI), the purchaser may procure these items by placing direct orders on the firms on single quotation basis. However, the selected firm has to furnish the latest DGS&D rate contract copy. Before placing the order, recommendations are to be obtained from the Departmental Purchase Committee/ Central Purchase Committee, as appropriate.

1.12. Purchases under Buy-Back Scheme

If any item is purchased under buy-back scheme for another old item, quotations are to be invited, clearly mentioning the specification of old and new items asking the buyback offer from the vendors. After selection of the vendor and the price following the procedure mentioned in previous sections 1.3 to 1.6, a buy-back report is to filled up for the old item(s), signed by all members of the Departmental Purchase Committee/ Central Purchase Committee, and finally to be sent along with purchase indent. It is to be mentioned in the report the mode of disposal of the item(s) being given to the firm under buy back scheme.

For any items not covered in the above recommendations, the GFR2005 rules may be referred as an operating document together with relevant Govt. Orders issued from time to time.

1.13. 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

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warranty period or such other extended periods as the terms of contract may provide for. The paid maintenance should commence only there after wards.

The annual maintenance contract, repair contract, repair work from the manufacturer/ manufacturer's authorized supplier equipment in the department, may be entered into by the HOD for a maximum of 10% of the equipment cost or Rs 1,00,000/ (Rupees One lakh) only whichever is less. If the AMC value exceeds Rs 1,00,000/- (Rupees One lakh) only, approval from the higher authority is to be obtained.

The original manufacturer of the supplied items or their authorized service providers may be preferred at least for a period of 5 years from the date of its supply/installation to keep the originality of the supplied items. However, in case the service of the manufacturer/the authorized service provider is not up to the mark or they do not agree to enter as per rates finalized at the time of purchase then the AMC may be given to the vendor other than the original manufacturer/supplier or its authorized service providers. However, the rates from third party vendors should be less than the rates offered by manufacturer and their authorized service provider. 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 (AMC), 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 HOD shall be required to initiate action for renewal of AMC at least 90 (Ninety) days before the expiry of previous AMC.
- In case of renewal, the service report /log book should be sent along with the proposal.
- Advance should be paid against bank guarantee, if the amount is more than Rs.1,00,000/- (Rupees One lakh) only.

2. Composition of Different Committees

[These are the committees as existing in the Institute.]

2.1. Departmental Purchase Committee

2.1.1. Academic Departments

1. Head of the Department	...	Chairman
2. Two Faculty Members from the concerned department, nominated by the Departmental Academic Committee, for a period of two years	...	Member
3. One Faculty Member from other department nominated by the Departmental Academic Committee for a period of two years	...	Member
4. Secretary, Departmental Academic Committee	...	Convenor (Ex-officio)
5. Project Investigator/ Program Coordinator (in case of Research Projects, Consultancy, Workshop, Seminar etc.)	...	Invited Member

2.1.2. Non-Academic Departments (Registry/Finance/Examination/Library/ HRM/ etc.)

1. Head of the Department	...	Chairman
2. Deputy Registrar (Audit)	...	Member
3. Two Officers nominated by the Head of the Department: one from the concerned department and one from other department, for a period of two years	...	Member
4. One Staff member from the concerned department nominated by the Head of the Department, for a period of two years	...	Member

2.2. Central Purchase Committee

1. One Professor nominated by the Director for a period of three years	...	Chairman
2. Registrar	...	Member
3. One Professor nominated by the Director for a period of three years	...	Member
4. Deputy Registrar (Finance)	...	Member
5. Deputy Registrar (Audit)	...	Member
6. Purchase Officer/Nominated by the Director	...	Convener
7. One external Expert in the relevant field nominated by the Director (for purchase value of Rs.25,00,000/- and above)	...	Member
8. Concerned HOD	...	Member
9. Project Investigator/Program Coordinator (in case of Project/ Consultancy/ Workshop etc.)	...	Invited Member

3. Delegation of Financial Power

3.1. Departmental Purchase

Sl. No.	Competent Financial Authority (CFA)	Value of Purchase
1.	PI/ HOD	Up to Rs. 15,000/-
2.	HOD	Up to Rs 1,00,000/-
3.	Dean (AA)/Dean (R&D)/ Dean (IP&M)	Up to Rs. 5,00,000/-
4.	Director	Above Rs. 5,00,000/-

4. Purchase Procedure

4.1. Purchase Values above Rs. 15,000 and up to Rs.1,00,000

- The purchasing department will prepare the specification, receive quotations/tenders as appropriate and recommendations of the Departmental Purchase Committee.
- The purchase order to be placed upon shall be signed by the HOD.

4.2. Purchase Values above Rs. 1,00,000

- The purchasing department will prepare the specification, receive quotations/tenders as appropriate and recommendations of the Departmental Purchase Committee/ Central Purchase Committee as appropriate.
- The purchasing department will obtain approval for purchase from the competent authority as follows:

Purchase Value	Approving Authority
a) Above Rs. 1,00,000/- and up to Rs. 5,00,000/-	*Dean (AA)/Dean (R&D)/ Dean (IP&M)
b) Above Rs. 5,00,000/-	Director

- The purchase order to be placed upon shall be signed by the Approving Authority.

* Dean (AA) : Dean Administrative Affairs *MAN*

5. Notes

Note-1: No new construction work shall be undertaken without the prior approval of the Director.

Note-2: In cases, where the purchase value marginally exceeds the limiting values mentioned in sections 1.2 and 1.3, Head of the concerned Department will seek the approval of the Director for procurement of the same, indicating the specific requirement of the said procurement.

Note-3: In exigencies or in special cases (hiring agencies/manpower, field works, service of experts, etc.) where procedure mentioned in section 1.2 to 1.4 cannot be followed/difficult to follow, Head of the concerned Department/PI is to obtain special approval from the Director through proper channel, clarifying the reasons of such difficulties.

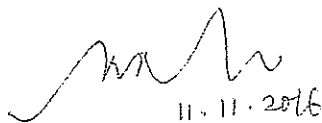
Note-5: For further clarification, if any, the related purchase procedure of the GFR 2005 (Amendment – 2010) shall be followed.

Note Regarding this Proposed Purchase Procedure for IEST, Shibpur

- a) Financial rule part of this document (Section 1) is based on the *Revised Purchase Norms of NIT Trichy*, written following the provision and style of GFR, 2005.
- b) Various committees as mentioned in section 2 are already existing and functioning in IEST, Shibpur. These are kept unchanged.

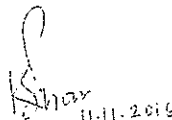
Summarily speaking, this document proposes to adopt GFR 2005 following the approach of NIT Trichy.

Date: 11th November, 2016



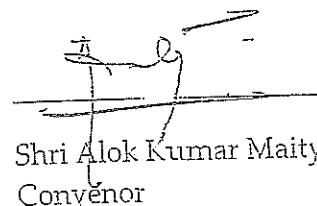
11.11.2016

Prof. Kalyan Kumar Chattopadhyay
Chairman



11.11.2016

Prof. Kalyan Kumar Bhar
Member



Shri Alok Kumar Maity
Convener

Committee for Preparation of Purchase Policies and Delegation of Financial Powers

