

Council of Scientific & Industrial Research
Anusandhan Bhawan,2, Rafi Marg,
New Delhi-1

No.14-5(1)/2003-SV/Vol.III

Wednesday, January 07, 2009

Serial Circular No 455

From: Joint Secretary (Admn.)

To: Directors of all National Laboratories/Institutes

Sub: CSIR Purchase Rules of Goods & Services-2008 & CSIR & Purchase Manual of Best Practices-2008

Sir

The Governing Body CSIR in its 172nd meeting held on 07-11-2008 have approved "CSIR Purchase Rules of Goods & Services-2008" and "CSIR Purchase Manual of Best Practices-2008" attached to this circular. The operation of these rules and manual will come into force w.e.f. 1st April, 2009 and shall supersede CSIR Purchase Procedure-2000 (as amended) from the said date.

I am further directed to state that all the indentors/procuring and sanctioning authorities under these new rules will ensure adherence/observance of fundamental principles of Purchase keeping in mind the transparency, competition, fairness and elimination of arbitrariness in the procurement process.

These rules & Procedure shall also be available on our website www.csir.res.in. It is requested that these rules and may kindly be brought to the notice of all concerned.

Hindi version will follow.



(K.A.Qurieshi)
Controller of Stores & Purchase

Encl: As above

Copy to :

1. All the Heads of Divisions of CSIR Hq.
2. All DSs/USs/Sr.Dy.FAs/FAOs/SPOs/SOs CSIR HQ./HRDG/HRDC
3. Sr.DS/US policy Division
4. All COAs/AOs/Sr.COFA/FAOs/SPOs/SO(S&Ps) in labs./instts.
5. Administrative Director DGTC & PS to DG for information
6. CVO CSIR for information

7. PA to FA for information
8. PS & US JSA for information
9. PA to Legal adviser for information
10. DS Rajbhasha with the request to translate the OM & the rules
11. Sh. A.Wahid Sct. Incharge with the request to host the OM, Rules & Manual on CSIR Website
12. Office copy

Index

Rule No	Description
1.	Short title and commencement
2.	Definitions
3.	Definition of Goods
4.	Fundamental principles of Public Buying
5.	Authorities competent to purchase goods & services and sanctioning authorities powers
6.	Purchase of goods without quotation
7.	Purchase of goods through Local purchase committee/s
8.	Rate Contracts
9.	Tendering process/procedure
10.	Two bid system
11.	Bidding Document
12.	Bid Security/EMD
13.	Performance Security
14.	Advance payments in exceptional Circumstances
15.	Transparency, competition, fairness and elimination of arbitrariness in the procurement process
16.	Buy-Back Purchase
17.	Miscellaneous provisions

CSIR Purchase Rules for Goods & Services-2008

Rule 1: Short title and commencement.-

These rules may be called “CSIR Purchase Rules for Goods & Services, 2008”.

Rule 2: Definitions - In these rules, unless the context otherwise requires-

- (i) "**Sanctioning authority (SA)**" means the Director General of CSIR /JSA /Directors of CSIR Laboratories /Institutes or any other Scientist /officer authorized to make purchases and vested with financial powers in Labs and Institutes under CSIR and its Head quarters.

- (ii) "**Purchase Committee (PC)**" means the committee/s as constituted by the competent authority for all purchases within Rs.25 lakhs (Rupees twenty five lakhs).

- (iii) "**Technical & Purchase Committee (T&PC)**" means the Committee/s as constituted by the competent authority for all purchase above Rs.25 lakhs.

- (iv) "**Drawing officer**" (DO) in the matters of Purchase of Goods & Services, means an officer of stores & Purchase Department of the CSIR Laboratories and institutes so designated by the competent authority to draw bills and make payments on behalf of the CSIR and its Labs. /Institutes.

- (v) "**Budget**" for the purpose of purchase of Goods and services means an allocation made by the competent authority in a particular financial year.

Rule 3: Definition of Goods & Services - The term 'Goods & Services' used in this rule includes all articles, material, commodities, livestock, general furniture/ laboratory furniture, fixtures, raw material, spares, instruments, machinery, equipment, industrial plant, chemicals, solvents, gases, glassware, stationery, liveries, and any other item meant for Research & Development both standard and non standard.

It also Includes Annual Maintenance Contracts of goods and equipment purchased or otherwise acquired for the use of CSIR Labs. and Institutes, custom clearance & cargo handling & consolidation services, exporting of goods for warranty replacements/repairs/upgradation ,Specific Scientific & Technical Services viz, Professional consultant services, Computer & Network management, Software & web design Development services, Special Storage, Communication facilities but excludes publications, periodicals for library &

or outsourcing activities relating to Infrastructure, house keeping security, cleaning, horticulture, works related to engineering services, Desk top printing (DTP), scanning, outputting, printing, binding, data entry work, packing and dispatching work, empanelment of media agency including graphic designer, cartoonist, etc. for which systems are already in operation.

Rule 4: Fundamental principles of public buying - Every authority delegated with the financial powers of procuring goods in public interest shall have the responsibility and accountability to bring efficiency, economy, transparency in matters relating to public procurement and for fair and equitable treatment of suppliers and promotion of competition in public procurement. The procedure to be followed in making public procurement must conform to the following yardsticks:-

- (a) the specifications in terms of quality, type etc., as also quantity of goods to be procured, should be clearly spelt out keeping in view the specific purpose/objective of Lab. needs by the Labs. & institutes. The specifications so worked out should meet the basic needs of the Labs./ Institutes without including superfluous and non-essential features, which may result in unwarranted expenditure. Care should also be taken to avoid purchasing quantities in excess of requirement to avoid inventory carrying costs;
- (b) offers should be invited by following a fair, transparent and reasonable procedure.
- (c) the procuring authority should be satisfied that the selected offer adequately meets the requirement in all respects;
- (d) the procuring authority should satisfy itself that the price of the selected offer is reasonable and consistent with the quality required;
- (e) at each stage of procurement the authorized procuring authority must place on record, in precise terms, the considerations which weighed with it while taking the procurement decision.

Rule 5: Authorities competent to purchase goods & services and sanctioning authorities powers - An authority which is competent to incur expenditure within delegated limits and subject to availability of funds approved by Director of the Lab. /Institute and DG/JSA in case of CSIR HQ, may sanction expenditure on goods/service required for use in CSIR, its Labs & institutes. The different modes of purchase, financial powers, sanctioning, recommending and approving authority are set forth hereunder as annexure to these rules.

Rule 6: Purchase of goods without quotation - Purchase of goods up to the value of Rs. 1 lakh (Rupees one lakh) only on each occasion in case of R&D related items and for non R&D related items up to the value of Rs.15000/= only on

each occasion may be made without inviting quotations or bids on the basis of a certificate (Annexure-A of the CSIR Purchase Manual of Best Practices-2008) to be recorded by the competent authority.

Rule 7: Purchase of goods through Local Purchase Committee/s - Purchase of goods costing above Rs. 1,00,000 to Rs. 5,00,000 (Rupees five lakh) only on each occasion in case of R&D related items and for non R&D related items up to the limit of Rs.15000/ to Rs. 1 Lakh, may be made on the recommendations of a duly constituted Local Purchase Committee consisting of three members of an appropriate level to be nominated by the Director/ Scientist "G" in the Labs./Institutes and by JSA/Scientist 'G' in CSIR Hq. The committee/s 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 (Annexure-B of the CSIR Purchase Manual of Best Practices-2008)

[Note: R&D related items shall mean those items which are to be purchased under approved projects with sanctioned budget and are directly used in the process of discovering new knowledge/technology or upgrading existing knowledge/Technology and skills about products, processes, and services and to create new or improved products, processes and services which have been envisaged by the scientist/project leader in the Lab/institute of CSIR.

Non R&D related items shall mean those items which are an aid in supplementing the R&D and may include items of any nature which support the project in achieving the R&D objective]

Rule 8: Rate Contracts - CSIR and its laboratories /Institutes may conclude their rate contract in respect of goods & services and AMCs wherever required in a transparent manner with due regard to canons of financial propriety. Labs./Institutes of CSIR may utilize the DGS&D concluded rate contract and other parallel sister labs/Institute Concluded rate contracts.

Rule 9: Except in cases covered under rule 8 above all labs/ institutes will generally resort to tendering process such as;

- (a) Advertised tender enquiry
- (b) Limited tender enquiry
- (c) Single tender enquiry
- (d) Proprietary Items

Rule 10: Two bid system - For purchasing R&D equipment and material etc., of a complex and technical nature, bids may be invited in two parts

- a) Technical bid consisting of all technical details along with commercial terms & conditions and EMD, wherever applicable.
- b) Financial bid indicating item-wise price for the items mentioned in the technical bid.

Rule11: Bidding Document - All tenders may be obtained as per bidding document

Rule12: Bid Security/EMD - Bid Security may be taken in cases for equipment /material costing above 25 lakhs. The Sanctioning authority i.e., Director of the Lab/ institute & DG,s nominee / JSA in case of CSIR, in the rare cases may, waive off the condition of Bid Security especially for highly reputed companies.

Rule13: Performance Security – PS May normally be taken *within 21 days* after the award of the contract from the successful bidder within the range of 10% (ten Percent) of the order value for a period of one year/ beyond 60 days of warranty period as the case may be for due performance of the contract. The Performance security may be increased /decreased or waived off with the approval of the competent authority i.e., Director in exceptional circumstances.

Rule14: Advance payments to suppliers in exceptional circumstances - The issue of making advance payment to the parties should be dealt in accordance with the best practices keeping all aspect of market environment and safeguards in mind.

Rule15: Transparency, competition, fairness and elimination of arbitrariness in the procurement process - All purchases in CSIR and its Labs./Institutes should be made in a transparent, competitive and fair manner, to secure best value for money. Accordingly the text of the bidding document should be self-contained and comprehensive without any ambiguities.

Rule16: Buy-Back Offer - When it is decided with the approval of the competent authority to replace an existing old item(s) with a new and better version, the department may trade the existing old item while purchasing the new one. For this purpose, a suitable clause is to be incorporated in the bidding document so that the prospective and interested bidders formulate their bids accordingly. Depending on the value and condition of the old item to be traded, the time as well as the mode of handing over the old item to the successful bidder should be decided and relevant details in this regard suitably incorporated in the bidding document. Further, suitable provision should also be kept in the bidding document to enable the purchaser either to trade or not to trade the item while purchasing the new one.

Rule 17 Miscellaneous

- 17.1 The operation of the above Rules shall be in supercession of all existing rules and instructions.
- 17.2 In case of any doubt on the interpretation of these Rules, matters can be referred to the Joint Secretary (Administration.), CSIR whose decision shall be final. For legal interpretation, the English version will hold good.
- 17.3 The Rules may be reviewed at suitable intervals for further modifications.
- 17.4 Detailed Issues on matters on Procurement etc. are available in the new Purchase manual titled as "CSIR Purchase Manual of Best practices-2008"
- 17.5 The DG, CSIR may also relax any of the provisions of these Rules.

Delegation of Powers (Annexure)

Sr No.	Type/Nature of Purchase	Financial ceiling	Approving authority	Sanctioning authority	Mode of purchase
1.	a) Direct purchase by indenter/project leader without calling for quotations for items related to R&D .	Up to Rs.1 lakh	Indenter/ project Leader of the status of scientist C /TO C and above. □	Project Leader/ Sr. Most officer of Purchase	Directly on cash/credit basis
	b) For all other non R&D related items	Up to Rs.15,000	Sr. Most officer of Purchase in the lab and CSIR Hq.		
2.	Purchase through Local Purchase Committee		Indenter/ project Leader of the status of scientist C /TO" C" and above.	Project Leader/Sr. Most officer of Purchase	To be made through LPC on cash /credit basis
	a) For R&D related items	Rs.1 lakh to Rs.5 lakh			
	b) For non R&D related items	Rs.15,001 to 1 lakh	Sr. Most officer of Purchase in the lab and CSIR Hq.		

3.	Emergency Purchase	Above Rs.5 lakhs to Rs.25 lakh	Project Leader of the status of scientist "C" and above within the delegated powers	Project Leader of the status of scientist C/ TO 'C' and above within the delegated powers	Purchase to be made by a duly constituted committee.
4.	Single Tender Purchase	a) Above Rs.5 lakh to Rs. 25 lakh	Project Leader of the status of scientist 'C' / TO 'C' and above	Project Leader of the status of C and above	Single Tender
		b) Above Rs. 25 lakh to Rs.50 lakh	Scientist F and above	Scientist F and above	Single Tender
		c) Above Rs. 50 lakh	Director	Director	Single Tender
5.	Proprietary Purchase	a) up to Rs.25 lakh	Project Leader of the status of scientist 'C' / TO 'C' and above	Project Leader of the status of scientist 'C' / TO 'C' and above	From proprietary source
		b) Above Rs. 25 lakh to Rs. 50 lakh	Scientist F & above	Scientist F & above	From proprietary source
		c) Above Rs. 50 lakh	Director	Director	From proprietary source

6	Purchase through Purchase committee (PC)	a) Up to Rs. 25 lakh	Project Leader of the status of scientist C / TO C and above	Project Leader of the status of scientist C / TO C and above	Limited Tender
		b) Above Rs. 25 lakh to Rs. 50 lakh	Scientist F & above	Scientist F & above	Limited Tender
		c) Above Rs. 50 lakh	Director	Director	Limited Tender
7	Purchase through T&PC	a) Above Rs. 25 lakh to Rs. 50 lakh	Project Leader of the status of scientist C / TO C and above	Scientist /TO C & above	Open/ Global Tender
		b) Above Rs. 50 lakh	Director	Director	Open/ Global Tender