

PURCHASE PROCEDURE 2002

COUNCIL OF SCIENTIFIC & INDUSTRIAL RESEARCH
ANUSANDHAN BHAVAN
2, RAFI MARG: NEW DELHI 110 001

INDEX

Para No.	Description	Page no.
1.0.0	Introduction	1
2.0.0	Stages of procurement	1
3.0.0	Finding of Budget	2
4.0.0	Prioritisation of equipments	2
5.0.0	Placing of indents by the scientist	2
6.0.0	Recording of no-stock certificate	3
7.0.0	Standing Purchase committee	3
8.0.0	Standing Purchase Committee – I	3
9.0.0	Standing Purchase Committee – II	4
10.0.0	Indents	5
11.0.0	Mode of Procurement	6
12.0.0	Tender document & EMD	8
13.0.0	Receipt of tender	9
14.0.0	Late / Delayed tenders	10
15.0.0	Postponement of tender opening date	10
16.0.0	Opening of tenders	10
17.0.0	Evaluation of tenders	11
18.0.0	Separate evaluation of technical & financial bids	12
19.0.0	Audit of Purchase Proposal	13
20.0.0	Placement of order	13
21.0.0	Buy-back purchases	14
22.0.0	Follow-up of orders	14
23.0.0	Receipt of materials	15
24.0.0	Inspection of materials	15
25.0.0	Advance payments	15

26.0.0	Rate contracts	16
27.0.0	Procedure for purchase through credit card	17
28.0.0	Financial powers of competent authority	17
29.0.0	Misc.	18
Formats		
	Indent	19
	Bid security form	23
	Performance security form	24
	Advance payment BG form	25
	Checklist	26

PURCHASE PROCEDURE -2002

1.0.0 Introduction

Provision of adequate and timely supply of material to scientists is of prime importance for carrying out meaningful scientific research as well as for meeting the targets set for completion of various in house & sponsored projects in our labs./Instt. On the other hand, any public procurement will not only have to be made in fair and transparent manner but will also have to fall in line with the canons of financial propriety. The purchase procedure given in the succeeding paragraphs strives to achieve both these ends.

2.0.0 Stages of Procurement

The procurement of material in our Labs./Instt. can be divided into the following distinct stages :

- a) Finding the Budget
- b) Prioritisation of purchase of equipment, machinery etc. for the financial year for CSIR budget on project needs & priorities of sponsored projects.
- c) Placing of the Indent by the scientist and other officers concerned after verifying the non availability in stock.
- d) Consideration of the indents by the respective SPC.
- e) Calling for tender/ quotations and processing of tender papers by the purchase department.
- f) Evaluation of the tenders/ quotations by the respective SPC.
- g) Submission of the papers to the competent authority for sanction.
- h) Placement of orders.
- i) Arrival of equipment and its installation.

3.0.0 Finding the Budget:

No purchase will be made in the Lab./Instt. unless there is a specific budget provision for such a purchase. However, processing of indents for purchase of equipments can be done by the lab/ Instt. even without specific budget allocation for the current year provided such cases are cleared for administrative processing by the Director but final order shall only be placed after allocation of the budget.

4.0.0 Prioritisation of purchase of equipment, machinery etc.

For items to be procured out of CSIR funds, the Director of the Lab./ Instt. will appoint a committee at the beginning of every financial year to correctly assess the requirement of equipment, machinery, plant etc. for various projects including infrastructure requirement. This committee will be chaired by a scientist of sufficient seniority. The committee will consult various heads of departments, get their requirements for the year and prioritise the list of purchases to be made in that year. The committee shall check the availability of such equipment in the lab, its performance and the rationale for procurement of another piece of equipment. This list will be circulated to all concerned by 30th of April. All purchases that are made during the year from CSIR funds will be in accordance with this list. The priority list for sponsored projects shall be finalised either through a committee or by PME or by Heads of divisions/ Project leaders and approved by the Director. However, in order to meet emergency requirements, 10% of the budget allocated for this purpose is kept as reserve and all emergency purchases may be made from this reserve.

5.0.0 Placing of the indent by the scientist/ other officials

Whenever an indent is placed by the scientist/ other concerned official, he has to ensure that the following details accompany it

- a) a detailed description of the equipment including summary of its function and detailed specifications including whether the requirement is fresh or additional or replacement.
- b) the details, such as, the useful life of equipment, availability of spares, arrangement for maintenance etc.
- c) the estimated cost of equipment and that of spares, last purchase price if any,. (to be given separately).
- d) the list of available vendors, their addresses, past experiences if any and their website wherever available.
- e) A certificate to the effect that the item is of proprietary nature, if it has to be bought from a known, single source. (This certificate shall be given by the indenter, which shall be duly approved by the Project Leader. Both shall be responsible, if the certificate is found to be incorrect).
- f) a description of space requirement for the equipment, the installation area and other infrastructural requirements such as, power, civil works etc. wherever applicable.
- g) The approximate period required for the equipment to become operational from the date of its arrival.
- h) Tentative inspection schedule.
- i) Emergency purchase certificate, in case of purchase is to be made on emergent basis.
- j) Budget provision certificate duly linking with the Project/ scheme.

(Note: The indenter will submit his indent type written. No hand written indent will be accepted. No addition/alteration will be generally made in the indent. In case, this becomes necessary on rare occasions, the indenter will affix his initials on the corrections/additions made. Electronic submission of indents can be accepted with built in safety mechanism).

6.0.0 Recording of no-stock certificate by the Stores Department

- 6.1.0 The indent together with its enclosures will be sent to the Stores Department which will verify its stock and render a no-stock certificate wherever applicable.
- 6.2.0 The indent will then be sent to the Purchase Department which will check it for correctness of details and place it before the relevant Standing Purchase Committee.

7.0.0 Standing Purchase Committee

There shall be two Standing Purchase Committees, namely SPC-I and SPC-II, in every Laboratory to be nominated by the Director.

8.0.0 Standing Purchase Committee-I

- 8.1.0 Standing Purchase Committee-I (SPC-I) will consider procurement of items which are needed on an on-going basis, such as, general chemicals, solvents, glassware, sanitary stores, hard-ware items, paints, oils, lubricants, photographic material, drawing material,

stationary items, soaps, detergents and other cleaning material, building materials, electric goods and electronic components required for maintenance and replacement, spare parts, medicines, Liveries, computer consumables. For all these items, a minimum and maximum level will be maintained by SPC I which should be clearly indicated when the indent comes up for consideration before the SPC-I. The provision of para 26 may be observed.

- 8.2.0 The SPC-I will also consider procurement of furnishing, decorative items, crockery, cutlery, bed Linen, curtains and other items of minor value.
- 8.3.0 The SPC-I will function under the chairmanship of COA. In labs where COA is not available AO shall chair the meeting. There will be three members, namely Sr.FAO/F&AO (SO (F&A) where no Sr. FAO/ FAO is available), one officer from scientific/technical stream not below the rank of Scientist 'C' and SPO (Dy. SPO where no SPO is available) who will act as member convener also. The senior most member will act as alternate chairman in the absence of Chairman. Presence of all members for the meeting is mandatory. In case of dissent by any member including finance member, the Director shall record reasons in writing while giving his decision. This committee will meet as and when necessary.
- 8.4.0 The SPC-I will devise its own methods within the ambit of the extant rules & regulations on the subject for making purchases. However, its function will broadly include the following:
 - a) It will decide periodicity of procurement of the repetitively needed items by fixing the minimum and maximum levels.
 - b) It will make relevant specification for such purchases.
 - c) It will decide the mode of procurement. The detailed procedures and practices in this regard are given at 11.0.0.
- 8.5.0 The concerned SPO/ Dy. SPO-in-charge is authorised to make local purchases of routine nature worth Rs.5,000/- at a time without calling for quotations subject to a maximum expenditure of Rs. one lakh per annum and Rs. two lakhs per annum for labs whose total budget is more than Rs.15 crores. All such purchases will be made only on emergent requirement and an abstract of such purchases will be submitted to Director for information every quarter.

9.0.0 Standing Purchase Committee-II (SPC-II)

- 9.1.0 The SPC-II will consider procurement of major one-time purchases, such as special chemicals, special tools, equipments, machinery, plants, special accessories & spares, and furniture items. This committee will also consider regular/annual maintenance contracts of these items wherever applicable.
- 9.2.0 All emergent and breakdown purchases to be made at short notice and Purchases of items for sponsored projects shall also be considered by this Committee.
- 9.3.0 The SPC-II will be constituted by the Director under the chairmanship of a Scientist to be nominated by Director. The other members will be

two scientific/technical officers, COA/AO, Sr.FAO/F&AO (SO (F&A) where no Sr. FAO/ FAO is available), and Sr. SPO/SPO (Dy. SPO where no Sr. SPO/ SPO is available) who will act as member convenor also. The senior most member will act as alternate chairman in the absence of Chairman. The concerned indenter/project leader or officer nominated by the Project Leader shall be co-opted as a member of the committee in case the SPC so desires. The co-opted member can only advise the committee.

- 9.4.0 The quorum will be 50% with the proviso that the presence of Chairman, Member Finance and Member Purchase is mandatory. In case of dissent by any member including finance member, the Director shall record reasons in writing while giving his decision. The SPC-II will meet as and when required.
- 9.5.0 The SPC-II will go through carefully the specifications given by the indenter and make it as broad-based as possible in order to induce competition. The very purpose of the SPC-II is to ensure that fair chance is given to every genuine competitor. Thus, restrictive clauses and tailor-made clauses that suit a particular or a Group of suppliers should be avoided. It may also request the Director, if necessary, to constitute a Technical Committee with experts from outside to finalise specifications of special items of procurement
- 9.6.0 The SPC-II shall devise its own methods and procedures within the ambit of the extent rules and regulations for making purchases as quickly as possible. As regards the mode of purchase the detailed procedure and practices in this regard are 11.0.0.
- 9.7.0 The Chairman of the SPC-II will forward the recommendations of the SPC to the competent authority for approval through a check list for equipments costing more than Rs. 10.00 lakhs.
- 9.8.0 The committee may constitute a sub committee to look into the emergency requirements of the lab/ Instt. The sub committee may depending upon the urgency of the situation
 - a) Survey the market, collect hand quotations and place them before the SPC II for final decision.

OR

- b) Survey the market, collect hand quotation and finalise the purchase on the spot within the sanctioned amount after opening the quotations.
- 9.9.0 The SPC II may authorise the Project Leader/ Indenter to go in for local purchase upto Rs.10000.00 without calling for quotations subject to a limit of 10% of the budget allocation of the project for procurement or Rs. 100000.00 for the whole project whichever is less, in rare cases, when there is real emergency.

10.0.0 Indents

- 10.1.0 They shall be thoroughly checked in order that they are strictly raised as per the purchase procedure 2001. The SPO/ Dy. SPO should not

normally accept indents, which are faulty or incomplete and return such indents to the indenter within two working days. Minor defects in the indents, however, should be set right by discussions with the indentors.

- 10.2.0 The Purchase Officer shall ensure while purchasing office equipment that the provisions of official Language Act 1963 are complied with.
- 10.3.0 The Purchase Officer shall check that items sought to be imported do not fall within the restrictive list contained in the Exim policy.
- 10.4.0 The Purchase Officer shall satisfy himself if necessary by verifying from FAO/PME/PL that funds are available commensurate with the delivery schedule.
- 10.5.0 The Indenter/PL/HOD shall ensure that the specifications suggested by the indenter confirm to the latest BIS specifications wherever applicable.
- 10.6.0 Since speed is of the essence, the Purchase Officer while vetting the indents must play a facilitating role. This role is to guide the indenter in order that the right item is bought at the right price. If necessary, he could help the indenter raise the indent in the correct manner by giving him relevant inputs.

11.0.0 Mode of Procurement

- 11.1.0 The SPC must select after deliberation one of the following modes of procurement:
 - a) Open tender - by advertising in the press.
 - b) Limited tender - by sending written enquiries to known, reputed suppliers.
 - c) Single tender - by sending written enquiries to a single supplier if it is in the knowledge of the indenter that the stores/equipment required is manufactured only by that supplier and none else.
- 11.2.0 The open tender method shall normally be followed for all procurement worth more than Rs. five lakhs. Splitting of indents, in order to bring it outside the ambit of open tender method is strictly prohibited.
- 11.2.1 Notice inviting tenders shall be given in at least two local dailies for procurement worth more than five lakhs but less than Rs. ten lakhs. Notice inviting tenders shall be given in at least two national dailies and in the Indian Trade Journal; published by the DGCIS, Calcutta, for procurement worth Rs. ten lakhs and above.
- 11.2.2 The notice inviting tenders shall be short, clearly worded and unambiguous. It should give a brief description of the item/ equipment to be procured, the qualification requirement for the supplier, the last date upto which tender papers shall be supplied (when required) the date of receipt of completed tenders, the date, time and venue of opening of tenders. Detailed technical specifications should not be given in the notice at all; they should only be given along with the

tender papers. In addition, the notice can be put in the website of the lab and or other dedicated websites for such purposes.

11.3.0 Limited tender method shall normally be followed in all procurements worth Rs. five lakhs or less. However, this method can be followed even in procurement of material worth more than five lakhs when:

- a) The Indenting Officer certifies that the demand is urgent and any additional expenditure incurred through open advertisement shall not be fruitful.

OR

- b) When the sources of supply are definitely known and the possibility of fresh sources of supply being available is remote.

OR

- c) And it is not in public interest to adopt the open tender method.

11.3.1 In all such cases, the invitation to bids must be sent to parties of comparable reputation and market share. For instance, if the requirement is for the installation of air-conditioning system and the intention is to get it done from major firms, such notices must be sent only to reputed national or multi national firms and not to local manufacturers/ agencies. On the other hand, if the intention is to encourage local manufacturers/ agencies, queries should be sent to local manufacturers/ agencies only and not to major firms. This is necessary to ensure proper comparison.

11.3.2 Global tenders may be issued by the SPC if it is felt that bidding from the indigenous source through open tendering shall not result in competitive prices. In such cases, in addition to the open tendering procedures, copies of the NIT may be sent to the embassies of the countries where such manufacturers are located by giving them at least six weeks time so that they can forward the notice to the prospective bidders in their countries.

11.4.0 Single tender method shall be followed only in rare cases where it is in the sure knowledge of both the SPC and the indenter that the equipment to be procured is manufactured only by a particular manufacturer and there is no other option for the laboratory except to go in for this equipment. Intentionally adding restrictive clauses to favour a single source should be avoided at all costs. All such cases of procurement on single tender basis must be approved by the competent authority on specific recommendations of the SPC, only after he satisfies himself that such procurement is unavoidable. Spare parts of equipments procured on single tender basis from the manufacturers or from their authorised dealers can be decided by the SPC.

11.5.0 The Sr. SPO/ SPO/ Dy. SPO will call for tenders for items costing less than Rs. 5.00 lakhs on limited tender basis and items costing more than Rs. 5.00 lakhs on open tender basis. All other cases including cases of purchase through single tender will be put up to the SPC for decision.

11.6.0 In case of purchase financed by foreign loan/ aid, the procedure prescribed in the loan/ aid agreement shall be followed. In the absence of any such procedure in the relevant agreement, the normal procedure shall be followed.

11.7.0 The SPC may recommend procurement of certain items from Kendriya Bhandar / Super bazaar/ NCCF and other co-operative societies recognized by the Govt. of India for purchases costing more than Rs. 5000.00. The Director of the lab is authorised to take a decision whether or not such items be bought under the process outlined in para 11.1.0 above.

11.8.0 The SPC may recommend procurement of small value items say Rs. 50000.00 for indigenous purchase and upto the limit specified by RBI for imports through e-commerce, payment of which can be made as per clause 25.3.0.

11.9.0 The following cases need not be referred to the SPCs and can be decided by the SPO/ Dy. SPO after obtaining concurrence from Finance and sanction of competent authority.

- a) Repeat Orders
- b) Orders against DGS&D rate contracts and CSIR lab rate contracts.
- c) Procurement from Kendriya Bhandars, Super bazaars etc. costing upto Rs. 5000.00
- d) Amendments to all purchase orders not involving financial implications.

11.10.0 The following minimum time limit may be allowed to the bidders so that they can quote their best possible prices:

- i) Limited tender - Three weeks.
- ii) Open tender - Four weeks.
- iii) Global tender - Six weeks.

However, in case of urgency, the time period can be reduced but proper justification for the same has to be furnished and accepted by the SPC.

12.0.0 Tender documents and EMD

12.1.0 The tender documents which comprise the detailed technical specifications, conditions of contract, the proforma in which the tender is to be submitted and such other material as may be sold at the following rates for open tenders.

<u>Estimated value</u>	<u>Cost</u>
Rs. 5 lakhs to Rs.10 lakhs	Rs. 500.00
Rs. 10 lakhs to Rs. 50 lakhs	Rs. 2000.00
Rs. 50 lakhs and above	Rs. 5000.00

These rates are exclusive of postage/ courier charges and sales tax, if any, levied by the Govt.

- 12.2.0 The tender document for purchase of equipment must include a clause that the successful bidder shall furnish an unconditional Performance bank Guarantee valid till 60 days after the warranty period from a scheduled bank for 10% or higher if decided by the Competent authority of the order value within 15 days of the placement of order for orders where full payment is to be made on L/c or on delivery, failing which the contract shall be deemed as terminated. In cases where part payment is made on delivery & part on installation, the performance BG shall be asked for at the time of release of final payment. In rare cases where goods have been procured on proprietary basis etc. the matter of non-furnishing of performance Guarantee, if any, may be brought to the notice of the competent authority for his decision.
- 12.3.0 It shall be clearly mentioned in the tender document for purchase of equipment that if the vendor have supplied identical or similar equipment to other CSIR labs/ Instt. the details of such supplies for the preceding three years shall be given together with the prices eventually or finally paid.
- 12.4.0 An earnest money deposit for all procurement costing more than Rs. 5.00 lakhs must be collected at the rate of 2% to 5% of the estimated value as may be decided by the SPC. The EMD shall always be collected by DD or bankers Cheque or bank guarantee. The EMD of unsuccessful bidders shall be returned within 15 days of the award of the contract. All tenders received without EMD shall be summarily rejected. Firms registered with DGS&D, NSIC and Govt. Public Undertakings who are exempted from payment of EMD may be allowed exemption. But it must be verified that such registration include the item they are offering which are manufactured by them and not for selling products manufactured by other companies. In rare cases however, if the bidder is well known and highly reputed, the matter may be brought to the notice of the competent authority for his decision.
- 12.5.0 Purchase of equipment from abroad shall be made directly from the manufacturer or their authorised agents in India. It shall not be bought from the sub-agents of authorised agents. It shall be clearly stated in the tender documents that purchases made for scientific purpose are exempt from Customs / Excise duty.

13.0.0 Receipt of Tenders

- 13.1.0 Tenders are received either through post or through courier or by hand. The tenders shall be dropped in the tender box, which shall remain locked, and its keys with the Purchase officer.
- 13.2.0 If a tender, received in a cover without any superscription about its contents, is opened by any official receiving it, he shall himself mark on the cover the tender number and the date of its receipt and the date of its opening and shall sign it and cause it to be delivered to the purchase officer before the opening date.
- 13.3.0 Tenders for items costing less than Rs. 2.00 lakhs and are received in open condition or through fax or e-mail or telegram or telex within the due date and time shall not be rejected but shall be accepted at the risk of the bidder if the same is presented to the SPO before the expiry of the due date and time.

14.0.0 Late/Delayed Tenders

14.1.0 Tenders received after the specified time and date of opening are treated as "Late" while tenders received after the last date specified for receipt of tender but before the date of opening of the tender are treated as "Delayed".

14.2.0 Such tenders shall be marked as late/delayed as the case may be and filed. They shall not be opened at all and be returned to the bidders in their original envelope without opening.

15.0.0 Postponement of the tender opening date

15.1.0 Requests for the postponement shall not normally be entertained. In rare cases however, if the response to a notice is poor, a decision to postpone the opening date of the tender by a minimum 15 days may be taken by the competent authority. The time extension so granted may be intimated to all concerned so that adequate response is received.

15.2.0 In case where the response to limited tender method in respect of materials costing more than Rs. 5.00 lakhs is poor (if the response is only from two or less bidders, it is considered poor), then open tender method shall be resorted to. The bidders who responded to the limited tender enquiry must be informed that their tenders shall also be considered along with the tenders received through open enquiry. If a decision is taken to change the specification to make it broad-based, the bidders who had responded to limited enquiry shall be asked to bid again as per the revised specifications. Any exception to this should have the approval of Director.

16.0.0 Opening of the Tenders

16.1.0 The tenders shall be opened by a committee consisting of representatives of FAO, SPO and COA. Separate notice of opening of the tender need to be sent to the bidders before opening of the commercial bid as per para 18.0.0 below. Opening of the tenders without informing the bidders is strictly prohibited for the limited & open tendering process.

16.2.0 The officer opening the tender shall read out the following particulars only for the information of the representatives attending the tender opening.

- a) Tender number
- b) Name of the firm
- c) Description of the item to be purchased
- d) Price
- e) Whether the price is inclusive of taxes & duties or exclusive
- f) Discount offered.
- g) Delivery Schedule.
- h) Any other extra charges quoted for packing, transport etc.
- i) Terms of delivery
- j) Warranty obligations.

16.3.0 All the pages of the tender has to be initialed by the tender opening committee. Alterations/ corrections in the tenders should be initialed

- legibly by the officers opening the tender and dated. A similar procedure shall be followed wherever any erasing/ cutting is observed.
- 16.4.0 Any correction in the price quoted in the tender both in the words and figures shall be circled in red ink by the representative of finance and signed. The members of the tender opening committee shall endorse this. In addition, a list of the representatives of the bidders present at the time of opening shall be prepared who shall write their name and the bidder they represent under their signature.
- 16.5.0 If there is any discrepancy between the price quoted in figures and words, whichever is the higher of the two shall be taken as the bid price.

17.0.0 Evaluation of the Tenders

- 17.1.0 A neat comparative statement of the tenders opened shall be caused to be made by the Purchase section. It shall contain details like rate, delivery schedule, make, taxes etc. and finally the quoted price. The final landing cost of Purchase after all discounts, taxes must be mentioned on the comparative statement for indigenous items and FOB price for imported items. Where there is no mention of packing, forwarding, freight, insurance charges, such offers shall be rejected as incomplete. This condition must be indicated in bold letters in the tender document/ enquiry itself. The comparative statement shall be without any cuts and erasers and shall neatly give the quoted price both in figures and in words. The Purchase section shall be directly responsible if the statement is later found to be shabby and with additions, alterations, cuts and erases. When bids are received in different currencies, the comparative statement shall clearly give the exchange rate on the date of opening of the bid and the quoted price in rupees.
- 17.2.0 After the order is placed separate photocopies of the comparative statement may be taken and kept in a presentable form to be produced on demand by audit/ vigilance inspection.
- 17.3.0 Evaluation of tenders must be done in a scientific and logical manner. It is not always necessary that the lowest quoted price shall finally emerge as the lowest evaluated price. It may be that the lowest bidder has not quoted according to the specifications and has left out certain items asked for. His bid eventually may not even be responsive. Thus evaluation of tenders is a serious exercise which should not be done mechanically: Extraneous considerations, that is, considerations that were not mentioned in the technical and of other specifications, shall not be a cause for rejecting a tender as non responsive.
- 17.4.0 If the bidder has quoted certain optional items, these items should not be taken into consideration for the evaluation of the bid. Wherever two bid system is followed, the SPC can arrive at a basket of items to be procured which may well be different from what they had initially advertised. In all such cases, the parties who have been found technically suitable should be asked to quote for all these items.
- 17.5.0 Conditional tenders shall not be accepted.
- 17.6.0 A tender shall not rejected simply because certain details which do not have appreciable bearing on the price quoted are missing. In such

case a quick reference could be made with the approval of the SPC, to the concerned bidder for proper evaluation of the tender.

17.7.0 The evaluation report shall clearly bring out

- a. the technical acceptability of the offer
- b. the reasonability of the price quoted
- c. the reasonability of the delivery period offered.

No tender shall be technically rejected on flimsy grounds or on such vague grounds as unsatisfactory service during earlier purchases without providing any documentary proof. The reasonability of the price quoted can only be arrived at by making formal inquiries with other clients who have made similar purchases and by taking into account last purchase price. It must be borne in mind that the margin of profit in scientific equipment is usually large and hence there is considerable scope for negotiation with the lowest bidder. Negotiations must only be done with the lowest bidder wherever necessary.

18.0.0 Separate evaluation of technical and financial bids.

18.1.0 All scientific equipments costing more than Rs. 10 lakhs shall be purchased by adopting two-envelop system either through open tender or through limited tender.

18.2.0 In this system the bidders are asked to send their technical specifications with EMD and financial bids in two separate sealed envelopes. The technical bids are opened first and analysed for acceptability either by the SPC itself or by a separate technical Committee. The tenderers could also be called for discussion and could also be allowed to modify their technical bids to suit the organisations requirement. The idea is to arrive at a threshold level of acceptability above which all the bidders shall be treated on par. Those whose technical specifications do not reach the threshold level of acceptability shall be rejected as technically unsuitable. The bidders who finally emerge as technically acceptable shall be allowed to withdraw their price bids and send again a revised bid in a sealed envelopes or to adhere to the original price bid sent. These price bids shall be opened, evaluated and the contract awarded to the lowest evaluated bidder.

18.3.0 It must be normally ensured that at least two or more bidders become technically suitable in all such cases unless there are compelling technical reasons to decide otherwise. If only one bidder emerges as technically suitable, it may lead to complaints that the specifications were tailor made to suit a particular bidder.

18.4.0 In rare cases when such an eventuality arises, the SPC/ technical committee should give cogent and detailed reasons as to why such a choice is being made. In all such cases, if other parties make representations, it is the responsibility of the Director to explain to them the technical reasons for rejecting their bids.

19.0.0 Audit of Purchase Proposals

All indents shall be audited concurrently by the Sr. FAO/ FAO of the lab who is the member of the SPC. However, the finance member of the

SPC shall ensure that all the financial parameters are fully complied with before according his concurrence.

20.0.0 Placement of order

Once the purchase proposal is approved by the SPC and the competent authority accords the expenditure sanction, SPO/ Dy. SPO shall prepare the purchase order and arrange to send it to the vendor. The necessity of agreements if felt can also be entered with the firm by SPO. The purchase order shall contain the make and model of the item with description, rate, quantity ordered, Amount and terms & conditions like Delivery schedule, Place of Delivery, Payment terms, taxes & duties, any other charges like packing, forwarding, transportation, insurance etc., discounts offered by the firm, warranty period, training if any etc. Orders for imported stores should be on FOB basis. In case the lab desires to import the stores on CIF basis, approval of the Director shall be obtained with full justification. Suitable clauses like Fall Clause, Option clause for repeat order, Arbitration Clause, force majeure Clause and Liquidated damage Clause etc. may be incorporated in the supply order wherever applicable. The order shall also contain the inspection procedures to be followed for inspecting the ordered goods for acceptance and the probable time needed for inspection. Orders for equipments shall be despatched to the vendor in two copies with an instruction that the vendor has to return one copy duly signed as a token of the acceptance of the order. In case the order confirmation is not received within twenty-one days, it shall be presumed that the vendor has not accepted the order and further action has to be initiated as per the conditions given in the tender document etc. The copies of orders shall be distributed to Stores, Indenting division and Finance (along with a copy of the sanction memo) as soon as the orders are placed.

21.0.0 Buy-back purchases

21.1.0 Buy-back of items like Computers, Scanners, Servers, laptops, LCD Projectors, Printers, Photocopiers, Faxes, Refrigerators and the like of five-year vintage or more can be made subject to the following conditions.

- a) The approval of the competent authority for declaring the item as obsolete etc. has to be obtained as per the present practice.
- b) Prices be obtained from various bidders as per para 11.0.0 and the bids should clearly mention that the offer is under buy-back scheme and the buy-back price be mentioned separately.
- c) Once the purchase is completed, the original value of the item be written off from the books of the respective labs.

22.0.0 Follow up of orders

Once order has been placed, it is the duty of SPO to ensure that the vendors supply what has been ordered in time. He shall continuously

be in touch with the stores department and in the event of the material not being received in time; he shall contact the vendor immediately and ensure that the material is received as quickly as possible. He shall also keep a list of vendors who are habitual defaulters and who supply sub-standard material, in order that prompt action is taken to blacklist such vendors.

23.0.0 Receipt of materials

The receipt of all ordered material have to be made in the stores section and a report of such receipts must be sent to the Purchase, Indenting scientist next day. Similarly informations like transit of materials, clearance from Air/Sea port/ transporter/ vendors go-down etc. has to be intimated to the user depts. Heavy and large items can be unloaded by the stores at the place of its final installation.

Stores should maintain a Daily Receipt Register (DRR) centrally which should include all relevant information about the receipt of materials in a computer. A print out can be sent to the User Group and the Purchase immediately and a copy of the same can be retained as DRR.

24.0.0 Inspection of the materials

The indenter shall inspect the materials as soon as it arrives and shall normally adhere to the schedule given by him at the time of placing the indent. Normally the concerned indenting division should ensure completion of inspection within ten days of receipt of advise from the stores. For imported equipments the packing may be opened in the presence of the Indian agent to avoid short/ damaged supply due to improper packing. In any case the inspection shall be completed within the validity period of the insurance policy so that the claims for shortage/ damage if any, can be lodged with the insurance company. Failure to inspect the material within the time schedule shall make the Indenter and the concerned Project leader responsible for the loss. Once the inspection is complete and the indenter certifies the inspection report, Stores should ensure that the bill containing the stock entry reference and copy of the inspection report is sent to Purchase within three working days after the inspection is over. The Purchase wing shall send the same directly to accounts within four working days for payment and then the accounts must arrange payment to the vendor within five days from the date of receipt of bill. If for any reason, the payment is held up beyond the period stipulated, the matter shall be brought to the notice of the Director for his decision.

25.0.0 Advance Payments

25.1.0 While the normal mode of payment is 100% within 30 days after receipt and acceptance of materials in good condition (within 30 days after satisfactorily installation & commissioning of equipment), there may be occasions when a reputed supplier insists on advance

payment. In all such cases, the SPC concerned shall decide on a case to case basis what percentage of payment could be made to the vendor in advance against equivalent bank guarantee from a scheduled bank. In no case shall the advance payment thus made exceed 90% of the price. The remaining percentage shall be released only after receipt and acceptance of material in good condition or after satisfactorily installation and commissioning of the equipment.

25.2.0 There may also be cases when payment against delivery which is commonly in practice for smaller value items and with traders who supply against cash/ cheque. This payment against delivery is much safer than payment through bank against documents as material itself is received against payment instead of documents. Such terms should be allowed. However, the purchase officer should ensure that the material is inspected and found acceptable as per requirement.

25.3.0 For small value items for which the prices are available on the website of the suppliers, payment could be made through credit card by the SPO. However, in all such cases, prior approval of the concerned SPC and the Director shall be obtained before making payment.

25.4.0 In case of imports, when payment against sight draft / advance dollar draft is a condition, such payments may be allowed after approval of the Director subject to the limit prescribed by the RBI.

25.5.0 In case of Annual maintenance contracts/ repairs, advance payment sufficient to cover one-year AMC charges can be allowed by the sanctioning authority. In cases where the AMC payment is for more than a year specific approval of the Director shall be obtained.

25.6.0 Any other payment terms can be accepted in exceptional cases on the approval of Director with concurrence of Finance.

26.0.0 Rate contracts

26.1.0 Rate contracts should not be entered for stores if the annual requirement is less than Rs. 10000.00. Rate contracts should be entered into based on open tendering for items for which there is a regular demand.

26.2.0 The period of currency shall normally be one year. The contract shall remain alive for supply of stores ordered during the currency of the contract. No extension of the rate contract is required for this purpose.

26.3.0 Rate contract should be placed only on registered and or reputed manufacturers or their authorised distributors who are capable of supplying the stores as required.

26.4.0 In addition to all the usual terms & conditions, the following clauses should be included in all rate contracts.

- a) Fall Clause: The price charged for the stores supplied under the rate contract should in no event exceed the lowest price at which the

- party sells the stores of identical description to any other person during the period of the contract.
- b) The stores shall be supplied within a period of fortnight for supplies against ex-stock deliveries. In case the firm does not supply the items within the stipulated time schedule, the cancellation of the purchase order can be considered.
 - c) Parallel rate contracts for similar items can be placed at any time during the period of rate contract with one or more parties.
 - d) The rate contract can be terminated at any time by giving one months notice.

27.0.0 Procedure for purchase through Credit card.

The following procedure will have to be followed for purchases under credit card.

- a) The offer may be downloaded from the web site and a certificate to the effect that the prices have been downloaded be furnished by the SPO.
- b) The proposal will then be put up to the respective SPC and payment to the firm be made after the mode of payment is approved by the SPC and Director.
- c) The credit card will be kept with the SPO. If possible, Institutional credit cards will be purchased and kept for official use only.
- d) The SPO shall maintain an account of Purchases made through the credit card to ensure that payment to the bank issuing the card is made within the free time after making necessary stock entry etc.
- e) This procedure shall be reviewed after a year.

28.0.0 Financial Powers of the Competent Authority

(a) SPC-I

Dy. SPO	Rs.50000/- p/sanction
SPO	Rs.1.5 lakhs p/sanction
Sr.SPO (SG)/ Sr. SPO	Rs.5 lakhs p/sanction
Director	Full Powers subject to availability of funds in the budget

(b) SPC-II

Project Leader of the status of Scientist. C.	Rs.3 lakhs p/sanction
Project Leader of the status of Scientist .EI	Rs.7 lakhs p/sanction
Project Leader of the status of Scientist .EII	Rs.10 lakhs p/sanction
Project Leader of the	Rs.25 lakhs p/sanction

status of Scientist F & above

Director

Full Powers subject to
availability of funds in
the budget

29.0.0 Miscellaneous

- 29.1.0 The operation of the above procedure shall be in super cession of all existing rules& instructions. In respect of areas, which are not covered in the above procedure, the provisions contained in the GFR/ DGS&D manual shall be operative.
- 29.2.0 A few formats (page 19 onwards) for the Indents, Proprietary certificate, Emergency certificate, BG formats, and Checklist etc. are enclosed.
- 29.3.0 In case of any doubt on the interpretation of this procedure, matters can be referred to the Joint Secretary (Admn.), CSIR whose decision shall be final. For legal interpretation, the English version will hold good.
- 29.4.0 The procedure may be reviewed at suitable intervals for further modifications.
- 29.5.0 The DG, CSIR may relax any of the provisions outlined in this procedure.

Purchase Indent

INDENT NO. _____
DATE: _____

1.0 The following items are required for _____ division/ project and may kindly be procured. (*Separate items to be indented for each class*).

Sl.No.	Detailed specification of the stores	Quantity	Estimated cost

*2.0 Certified that to the best of our knowledge, the items indented are the proprietary item of M/s _____ and is marketed by their only authorized distributor M/s _____ in India. We shall be held responsible in case the certificate is found to be incorrect.

*3.0 The requirement could not be anticipated earlier, is emergent in nature. The items are required for Project no. _____ a sponsored/ Inhouse project and the deadline for delivery is _____. The consequence if the item is not procured within the dead line is _____.

4.0 The details about the life of the equipment, availability of spares, ease of maintenance etc.

5.0 The delivery of the item is required by _____.

6.0 The availability of funds

- Name of project
- Budget Provision
- Whether necessary fund is available to process this item. Yes/ No
(This should commensurate with the delivery Schedule)

PME/ Accounts

7.0 The installation requirements like area, power, civil works etc. are ready

Yes/ No.

8.0 The list of available vendors, their addresses and websites wherever available.

- 1.
- 2.
- 3.

9.0 The inspection schedule for the item is as under:

10.0 Certified that the item is not available in stores.

Signature of the indenter

Head/ Project Leader

Certificate from Purchase:

1.0 Indent serial No. as per purchase register :

2.0 Certificate about fund availability :

3.0 The Proprietary certificate/ emergency certificate
if applicable furnished :

4.0 Whether the item is a restrictive item as per
the EXIM policy :

5.0 Whether the provisions of official language Act
has been complied with :

6.0 Whether the enquiry needs to be sent by fax/
speed post/ e-mail owing to urgency :

7.0 Whether samples are required :

8.0 Whether delivery required in batches :

9.0 Whether the delivery schedule as per indent is
realistic. If not, please intimate indenter. :

10.0 Whether training required :

11.0 Whether clubbing of demand is possible :

12.0 Any other conditions that is required :

(* strike out if not applicable)

Certified that the above informations have been collected after discussion with the Project leader.

Recommended for inviting Limited tender/ open tender.

Dealing Asst.

Dy. SPO/ SPO

Recommendation of the SPC:

SPC I/ II met today i.e. on _____ and decided the following mode of tender.

a) Limited tender - as the demand is urgent and additional expenditure incurred through press advertisement will not be fruitful.

Or

The sources of supplies are definitely known and the possibility of fresh sources of supply being available is remote.

Or

It is not in public interest to adopt the open tender method.

b) Single tender - as the item is proprietary in nature.

c) Procurement from Kendriya Bhandar/ Super bazaar/ NCCF/ other co-op. stores. even though the cost is more than Rs. 5000.00.

d) Any other mode:

* Please tick the approved mode.

SPO/Dy. SPO

Sr. FAO/ FAO

Member

Member

Member

Chairman

Mode of tender approved

Approving authority

BID SECURITY FORM

Whereas¹ (*hereinafter called "the Bidder"*) has submitted its bid dated (*date of submission of bid*) for the supply of (*name and/or description of the goods*) (*hereinafter called "the Bid"*).

KNOW ALL PEOPLE by these presents that WE (*name of bank*) of (*name of country*), having our registered office at (*address of bank*) (*hereinafter called "the Bank"*), are bound unto (*name of Purchaser*) (*hereinafter called "the Purchaser"*) in the sum of

_____ for which payment well and truly to be made to the said Purchaser, the Bank binds itself, its successors, and assigns by these presents.

Sealed with the Common Seal of the said Bank this ____ day of _____ 20____.

THE CONDITIONS of this obligation are:

1. If the Bidder withdraws its Bid during the period of bid validity specified by the Bidder on the Bid Form; or

2. If the Bidder, having been notified of the acceptance of its bid by the Purchaser during the period of bid validity:
- (a) fails or refuses to execute the Contract Form if required; or
 - (b) fails or refuses to furnish the performance security, in accordance with the Instruction to Bidders.

We undertake to pay the Purchaser up to the above amount upon receipt of its first written demand, without the Purchaser having to substantiate its demand, provided that in its demand the Purchaser will note that the amount claimed by it is due to it, owing to the occurrence of one or both of the two conditions, specifying the occurred condition or conditions.

This guarantee shall remain in force up to and including forty five (45) days after the period of the bid validity, and any demand in respect thereof should reach the Bank not later than the above date.

.....
(Signature of the Bank)

¹ _____
Name of Bidder

PERFORMANCE SECURITY FORM

To: _____ (Name of Purchaser)

WHEREAS (Name of Supplier)
hereinafter called "the Supplier" has undertaken , in pursuance of Contract
No..... dated,..... 20... to supply.....
.....(Description of Goods and Services)
hereinafter called "the order".

AND WHEREAS it has been stipulated by you in the said order that the
Supplier shall furnish you with a Bank Guarantee by a recognized bank for the
sum specified therein as security for compliance with the Supplier's
performance obligations in accordance with the order.

AND WHEREAS we have agreed to give the Supplier a Guarantee:
THEREFORE WE hereby affirm that we are Guarantors and responsible to
you, on behalf of the Supplier, up to a total of
..... (Amount of the Guarantee in Words and Figures)
and we undertake to pay you, upon your first written demand declaring the
Supplier to be in default under the order and without cavil or argument, any
sum or sums within the limit of (Amount of Guarantee) as
aforesaid, without your needing to prove or to show grounds or reasons for
your demand or the sum specified therein.

This guarantee is valid until theday of.....20.....

Signature and Seal of Guarantors

.....

.....

.....

Date.....20....

Address:.....

.....

.....

All correspondence with reference to this guarantee shall be made at the
following address:

(Name & address of the lab)

BANK GUARANTEE FORM FOR ADVANCE PAYMENT

To: _____ (*name of Purchaser*)
_____ (*address of Purchaser*)
_____ (*name of Contract*)

Gentlemen:

In accordance with the provisions of the Purchase Order no. _____, dated _____, M/s _____, (*name and address of Supplier*) (hereinafter called "the supplier") shall deposit with (*name of Purchaser*) a bank guarantee to guarantee his proper and faithful performance under the said Clause of the Contract in an amount of (*amount of guarantee* * _____ (*in words*)).

We, the _____ (*bank or financial institution*), as instructed by the Supplier, agree unconditionally and irrevocably to guarantee as primary obligator and not as Surety merely, the payment to (*name of Purchaser*) on his first demand without whatsoever right of objection on our part and without his first claim to the Supplier, in the amount not exceeding _____ (*amount of guarantee*)* (*in words*).

We further agree that no change or addition to or other modification of the terms of the Contract to be performed there under or of any of the Contract documents which may be made between (*name of Purchaser*) and the Supplier, shall in any way release us from any liability under this guarantee, and we hereby waive notice of any such change, addition or modification.

This guarantee shall remain valid and in full effect from the date of the advance payment received by the Supplier under the contract until _____.

Yours truly,
Signature and seal :

Name of bank/
financial institution :
Address :
Date :

* An amount is to be inserted by the bank or financial institution representing the amount of the Advance Payment.

CHECKLIST *

- 1.0 **Indents.** at Page _____
- a). Whether there are any corrections on the Indent Yes/ No.
- b) Whether the infrastructural facilities are ready Yes/ No
- c) If the answer to b) above is No, will they be ready by the time the equipment arrives? Yes/No
- d) Whether the equipment is approved by the Prioritisation Committee. Yes/ No
- 2.0 **Comparative Statement** at page _____
- 3.0 **Tender opening** at page _____
- a) Whether the quotations were opened in the Presence of the bidders. Yes/ No.
- b) Whether any corrections were there on the offers Yes/ No.
- c) If yes whether it has been authenticated by Tender opening committee. Yes/No
- d) Whether any late quotations received. _____
- 4.0 **Evaluation**
- a) Whether bidder recommended for is the lowest Evaluated bidder Yes/No
- b) If no, indicate relevant page number where this aspect has been discussed. _____
- c) Whether the lowest evaluated bidder is the one who quoted the lowest price. Yes/ No
- d) If no, Indicate relevant page number where this aspect has been discussed. _____
- e) Whether all correspondences that have been Exchanged between the office and the bidder prior to the price bid opening has been taken into consideration for evaluation Yes/No
- f) Whether negotiations have been made with the

Lowest bidder

Yes/ No.

g) If yes please mention the discount obtained by Negotiation

5.0 The final price of the bidder to whom the contract is proposed to be awarded

6.0 The name of the evaluated bidder

The detail of the final estimate is attached.

Certified that:

1. The bid has been evaluated in accordance with the set criteria mentioned on the bid / as per the Purchase Procedure of CSIR.
2. The past performance of the evaluated bidder has been found to be generally satisfactory.
3. That the deviation sought from the firm has no cost implications, which will not render the bid technically non-responsive.

Member

Member

Member

Member

Chairman

Approving Authority:

* for all items costing more than Rs. 10.00 lakhs