

# Indian Institute of Petroleum & Energy

Visakhapatnam



## Purchase Manual

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## Chapter 1

# Introduction & Principles of Purchase

### 1.1 Introduction

This manual mainly emphasizes on provisions for adequate and timely procurement of materials to carry out Educational, Research and sponsored project programmes as well as for meeting in-house requirements of the Institute, but excludes the construction activities and Estate works, and purchase of books and subscription of journals.

### 1.2 Canons of Financial Propriety

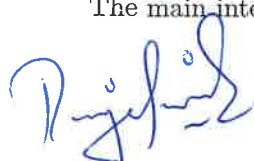
Every employee of the Institute incurring or authorizing expenditure from public moneys should be guided by high standards of financial propriety. He/She should also enforce financial order and strict economy and see that all relevant financial rules and regulations laid down by the Institute are observed, by her/ his own office and by subordinate disbursing officers. The principles among on which emphasis is generally laid are the following (Rule 21, GFR 2017):-

Every employee of IIPE is expected to exercise the same vigilance in respect of expenditure incurred from public moneys as a person of ordinary prudence would exercise in respect of expenditure of his/her own money.

- (a) The expenditure should not be prima facie more than the occasion demands.
- (b) No authority should exercise its powers of sanctioning expenditure to pass an order which will be directly or indirectly to its own advantage.
- (c) Expenditure from public moneys should not be incurred for the benefit of a particular person or a section of the people, unless - (i) a claim for the amount could be enforced in a Court of Law, or (ii) the expenditure is in pursuance of a recognized policy or custom.
- (d) The amount of allowances granted to meet expenditure of a particular type should be so regulated that the allowances are not on the whole a source of profit to the recipients.
- (e) While discharging the duties of financial concurrence of any public expenditure, such authorities subsequent to such decision, shall not be involved in any future financial/ audit/payment responsibilities which may create conflict of interest.

### 1.3 Intent of the Manual

The main intent of this manual is as follows:-



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- (a) To attain best value for money taking into account the principles of efficiency, economy and transparency to satisfy the long-term goals of the institute;
  - (b) Transparent and fair procurement processes facilitating optimum competition possible among bidders/vendors in procurement of goods and services for the institute;
  - (c) Providing sufficient notice, opportunity and equal opportunity to bidders and market players to do business with the institute;
  - (d) Ensuring proper diligence and accountability in all procurement decisions of the institute;
  - (e) Achieving a uniform, systematic, efficient and cost-effective procurement process for the institute in accordance with the applicable rules & regulations of the Government of India.
  - (f) To concur with the norms of procuring all stores funded by government agencies as per the General Financial Rules (GFR), Government of India, prevailing from time to time.

**1.3.1** All rules as mentioned in General Financial Rules 2017 (GFR 2017) along with amendments/modifications in GFR notified by Ministry of Finance (Govt. of India) from time to time will be applicable for procurement of goods and services at the Institute involving grant in-aid of Government. The public procurement will not only have to be made in fair and transparent manner but will have to concur with the canons of financial propriety (Rule 21, GFR 2017).

**1.3.2** The procedure given in the succeeding paragraphs of this manual strives to achieve all the above mentioned criteria. The items required to be purchased under the ambit of the rules & procedures outlined in this manual 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 necessary for teaching and research; both standard and non-standard at Institute. It also includes Annual Maintenance Contracts (AMC) of goods and equipment purchased or otherwise acquired for the use of students, faculty and staff of the Institute, custom clearance & cargo handling & consolidation services, exporting of goods for warranty replacements/repairs/up-gradation, Specific Scientific & Technical Services viz. Professional Consultant Services, Computer & Network management, Software & Web design Development Services, Special Storage, and Communication Facilities etc as per the requirements of the Institute.

**1.3.3** The members of Purchase Committees (PCs) of the institute and any other official related with any public procurement process shall have the responsibility and accountability to bring efficiency, economy, and transparency in matters relating to public procurement and for fair and equitable treatment of suppliers/vendors/ contractors and promotion of competition in procurement.

## 1.4 Principles of Public Procurement

The procedure to be followed in making public procurement must conform to the following yard sticks:

- (a) The specifications in terms of quality, type etc., as well as quantity of goods to be procured, should be clearly spelt out keeping in view the specific needs of the Institute/Departments.
- (b) The specifications so worked out should meet the basic needs of the Institute without including superfluous and non-essential features, which may result in unwarranted expenditure.
- (c) Care should also be taken to avoid purchasing quantities in excess of requirement to avoid inventory-carrying costs.

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- (d) The specifications should be generic in nature.
- (e) Quotations should be invited following a fair, transparent and reasonable procedure.
- (f) The Purchase Committees (PC) should be satisfied that the selected quotation meets the requirement in all respects and the price of the selected bidder/bidders is reasonable and consistent with the quality required.
- (g) At each stage of procurement, the detailed considerations/decision shall be placed on record, in precise terms.

## 1.5 Stages of Procurement

The procurement of material in the Institute can be generally divided into the following distinct stages:

- (a) The budget Provision.
- (b) Prioritization of purchase of equipment, machinery, furniture etc. during the financial year from the Institute budget, based on the needs & priorities may be given to the sponsored projects.
- (c) Preparation of specification/identification of the exact requirement by the indenting officer/faculty member or by Purchase Committee(PC) through Pre-Indent discussion/ presentations or Conference (wherever required) in case of high value purchases.
- (d) Placing of the Indent by the faculty members and other officers concerned after verifying the non-availability of stock forwarded in a proper format through purchase indent duly signed by the individual user and approving authority (faculty/head of the department).
- (e) Consideration of the indents by the Purchase Committee, wherever required.
- (f) Calling for tender/ quotations wherever required and processing of tender papers by the Purchase Committee.
- (g) Evaluation of the tenders/ quotations by the Indenter/Purchase Committee (PC) and recommendations of the committee for final decision.
- (h) Submission of the proposal for financial sanction.
- (i) Placement of orders/Award of contract.
- (j) Arrival of equipment, inspection, installation, commissioning and certification of work completion by indenter for processing of payment.

## 1.6 The Budget provision

- (a) No Purchase will be made in the departments unless there is a specific budget provision/allocation for such a purchase.
- (b) Processing of indents for any purchase can be made by the departments even without specific budget allocation for the current year provided such cases are cleared for administrative processing by the Competent Authority but final order shall be placed only after funds have become available.

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## 1.7 Prioritization for Purchase of equipment, Machinery and other items.

- (a) All purchases that are made during the financial year from the Institute funds will normally be in accordance with the finalized list. However, depending upon the exigencies of requirement, the priority list for purchase of equipment/ materials out of Institute funds may be amended with the approval of the Competent Authority.
- (b) The items mentioned in the project approval letter from the sponsoring authority will normally be taken up on a priority basis for sponsored projects.

1.7.1 In order to meet emergency requirements and purchases within the powers delegated, it would be desirable that certain amount of the budget allocated is kept as reserve and such purchases should be made from within this reserve. However, this decision will be taken in consultation with Finance Department and with the approval of Competent Authority.

1.7.2 Nominated person of the S&P sections/Purchase officer may propose an addition/alteration/modification of rules, time to time, to meet the compliance requirements as per the approval of Director. Director of the Institute may relax any rule for a particular purchase file in case to case basis provided that it is duly recommended by the concerned Purchase Committee with detailed justification. However, any such relaxation cannot be ground for relaxation in other purchase files other cases.

1.7.3 These rules are not applicable in case of Works/Building construction / purchases of Books, Periodical and Journal for the Institute's Library/special collaborative projects.



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## Chapter 2

# Indents and Specifications

### 2.1 Placing of the indent by the Indenter

2.1.1 In order to buy the best product, it would be desirable that a rigorous pre-indent exercise is carried out by the concerned Indenter/Laboratory-in-Charge/ Division/Department of the Institute.

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

- (a) A detailed description of the equipment/material including brief description about its function and detailed specifications including whether the requirement is fresh or additional or replacement along with a certificate that the specifications are complete and correct to meet the requirement completely. The format of the Indent is placed at Annexure-A.
- (b) The details, such as availability of spares, arrangement for maintenance, installation and commissioning charges etc.
- (c) The estimated cost of equipment/item, preferably supported by the budgetary quote, including quantity required.
- (d) The list of available vendors, their communication details including addresses, Email IDs, Contact numbers, past experiences if any and their website address may be given by the indenter wherever available.
- (e) A description of space requirement for the equipment/ material, the installation area and other infrastructural requirements such as, power, civil works etc. wherever applicable.
- (f) The approximate period required for the equipment/ item to become operational from the date of its arrival.
- (g) Tentative inspection schedule.
- (h) Emergency Purchase Certificate, in case of purchase is to be made on emergent basis.
- (i) "Proprietary Article Certificate (PAC)", in case the purchase is to be made on the proprietary usage basis.
- (j) Budget provision certificate duly linking with the Indent.

2.1.3 Wherever applicable, the PAC as per Annexure-D needs to be given by the indenter.

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**2.1.4** No addition/ alteration will be generally made in the indent. In case, this becomes necessary on rare occasions, the indenter will affix her/ his initials on the corrections/ additions made.

**2.1.5** Splitting of indents, in order to bring it outside the ambit of open tender method is not desirable. In addition, a demand should not be deliberately divided by the indenter to avoid necessity of obtaining sanctions of higher Authority.

## 2.2 Specifications

While framing specifications of the indented items conformity to the following points must be ensured:

- (a) The specifications of the required goods should be framed giving sufficient details in such a manner that it is neither too elaborately restrictive as to deter potential tenderers or increase the cost of purchase nor too sketchy to leave scope for sub-standard product.
- (b) The specifications must meet the essential requirements of the user department.
- (c) Specifications should aim at procuring the latest product and avoid procurement of obsolete goods.
- (d) Specifications should have emphasis on factors like efficiency, optimum fuel/ power consumption, use of environmental-friendly materials, reduced noise and emission levels, low maintenance cost, Safety norms etc.
- (e) The specifications should conform to the latest BIS standards. In cases where Indian Standards do not exist or, alternatively, decision needs to be taken to source the foreign markets also, International Standards (like ISO etc.) may be adopted. Where no widely known standards exist, the specifications shall be drawn in a generalized and broad-based manner to obtain competitive bids from different sources.
- (f) The indenting officer while formulating the specifications should ensure and also certify that the specifications are complete and correct to meet the requirement completely.
- (g) All dimensions incorporated in the specifications shall be indicated in metric/ SI units. If due to some unavoidable reasons, dimensions in (Foot-Pound-Second (FPS) units are to be mentioned, the corresponding equivalents in the metric/ SI system must also be indicated. The specifications/ technical details should be expressed with proper clarity without any ambiguity or double meaning. Wherever necessary, the written specifications should be supplemented with drawings for additional clarity

## 2.3 Specifications for purchase of high value equipment and materials

The specification of these materials may be finalized (wherever felt necessary) by the Purchase Committee (PC) through a Pre-Indent discussion, presentations and conference with prospective vendors. However, the broad guidelines provided under section 2.2 above may be kept in mind while framing specifications for these purchases also.

## 2.4 Processing of Indents

**2.4.1** The relevant/ approved indents shall be thoroughly checked and processed as per rules. Faulty or incomplete indents may be returned to the indenter normally within three working days. Minor defects in the indents, however, should be modified accordingly in consultation with the indenters.



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2.4.2 The Purchase Officer shall check that items sought as per the placed indents to be imported do not fall within the restrictive list contained in the EXIM policy of Government of India.

## 2.5 Recording of no-stock certificate by the S&P Section

If the stock is not available for particular stores, the indenter himself/herself may certify the non-availability of stores. Otherwise, the indent together with its enclosures will be sent to the S&P Section which will verify its stock and render a no-stock certificate wherever applicable.



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## Chapter 3

# Purchase Committees

### 3.1 Purchase Committees(PC)

There shall be three committees for regulating, recommending and deciding the procurement in the Departments/sponsored projects of the Institute depending on the value of the item(s). The committees may be called as:

- (a) Institute Purchase Committee (IPC) (For centralized purchases)
- (b) Department Purchase Committee (DPC) (For Departments/ Centres/ Sections)
- (c) Project Purchase Committee (PPC) (For Sponsored projects)

### 3.2 Functions of Institute Purchase Committee(IPC)

**3.2.1** The Institute Purchase Committee (IPC) will consider procurement of goods, equipment, machinery and furniture etc. of more than Rs. 25 lakhs and also the centralized purchase of items which are required by multiple departments/ sections. IPC's recommendation will be placed before the Director for his/ her approval.

**3.2.2** It will decide periodicity of procurement of the repetitively needed items by fixing the minimum and maximum levels.

- (a) Institute Purchase Committee will evaluate relevant specifications and recommend standardization of items wherever felt necessary.
- (b) The Institute Purchase Committee (IPC) will decide the successful bidders for the respective indents/ contracts, who have technically qualified for commercial bid. The commercial bid will be opened in front of the IPC.
- (c) A designated senior member/ officer of the Stores & Purchase Section will be the convener of the Institute Purchase Committee (IPC). The officer will coordinate the opening of the commercial bid after technical evaluation of the bid.

### 3.3 Constitution of Institute Purchase Committee (IPC)

**3.3.1** The IPC will be constituted by the Director of the Institute. The Chairperson of the IPC will be nominated by the Director. However, in the absence of the regular Chairperson, the Director may nominate any other faculty member to act as the chairperson. The members of the IPC will be as given below:

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- (i) Chairperson
- (ii) Indenter (PI, in case of Project purchases)
- (iii) Head(s) of the concerned Department/ Section(s)/ PI
- (iv) A faculty member nominated by the Director
- (v) Registrar/Dy. Registrar/Finance Officer\*
- (vi) Registrar/Dy. Registrar/Superintendent
- (vii) Co-opted Member(s) by the Chairperson in consultation with the Indenter;

*\*In the absence of DR and Finance Officer, Registrar will represent in the meeting.*

**3.3.2** Presence of Chairperson, Finance & Purchase members and Indenter shall be mandatory. This committee will meet as and when necessary and the meeting will be convened by the Registrar/DR.

### 3.4 Functions of the Department Purchase Committee (DPC)

**3.4.1** The Department Purchase Committee (DPC) will consider procurement of all items both consumable and non-consumables (equipment, machinery etc.) up to Rs. 25 lakhs.

**3.4.2** The DPC will be empowered to recommend purchase within its purview.

**3.4.3** The function of DPC will broadly include the following:

- (a) It will check relevant specifications of items and recommend standardization of items, to be procured.
- (b) It will decide the successful bidders, who have technically qualified for commercial bid.
- (c) It will make recommendations on purchases under its purview as per rules.
- (d) If need is felt, the purchase committee can also constitute a Technical Subcommittee for examination/ modification of specifications of an item submitted in the indent and for subsequent evaluation of the bid received after tendering. It will decide the successful bidders, who have technically qualified for commercial bid. The commercial bid will be opened in front of the DPC.
- (e) The recommendations will be placed before the competent authority for his/her approval.

### 3.5 Constitution of Department Purchase Committee (DPC)

**3.5.1** The Head of the Department/ Section or his nominee or a senior faculty/ staff member of the Department/ Section will act as the chairperson of the DPC. However, in the absence of the regular Chairperson, the senior most faculty/ staff member of the DPC may act as Chairperson.

**3.5.2** The members of the Committee are:

- (i) Head of Department /Section (Chairperson);
- (ii) Indenter;
- (iii) At least two faculty/staff members of the concerned Department/ Section;
- (iv) Co-opted Member (s) by the Chairperson (if any);

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**3.5.3** Presence of Chairperson, Indenter and at least one member from SI (iii) above, shall be mandatory.

### **3.6 Functions of Project Purchase Committee (PPC)**

**3.6.1** Project Purchase Committee (PPC) will consider procurement of all items both consumable and non-consumables (equipment, machinery etc.) of Sponsored Research and Consultancy Projects up to Rs. 25 lakhs.

**3.6.2** The function of PPC will be the same as the DPC.

**3.6.3** Constitution of Project Purchase Committee (PPC):

- (i) Associate Dean (R&D) (Chairperson)
- (ii) Principal Investigator (Indenter);
- (iii) Co-Principal Investigator (if any);
- (iv) Member from sister department nominated by PI;
- (v) Co-opted Member by the PI;
- (vi) Co-opted Member (s) by the Chairperson (if any);

Presence of Chairperson, indenter, member mentioned at SI (iv) above and at least one member from SI (v) & (vi) above, shall be mandatory.

In the absence of Associate Dean (R&D) or if Associate Dean (R&D) is the PI/indenter, Chairperson of the committee will be nominated by the Dean (R&D)/ Director.

**3.6.4** The recommendations of the Committee will be placed for approval of Dean (R&D)/ Director.

**3.6.5** In addition to the above, the functions of IPC/DPC/ PPC, shall be:

- (a) to examine the need of purchase;
- (b) to suggest complete specification of the stores/equipment indented, and
- (c) to indicate available source of supply in case of scientific/ technical / sophisticated/made to order equipment,
- (d) to examine the authenticity of proposal wherever required;
- (e) to examine the Techno-commercial / technical bids / EoI / price bids and give suitable and logical recommendation;
- (f) to review its recommendation in response of Internal Audit section;
- (g) all Purchase Committees (PCs) will be fully responsible for item procurement justification, price justification, and justification about proprietary nature of the item;
- (h) PCs will be fully responsible for any kind of query / observation / para of CAG audit or internal audit or CVC and any kind of lapses in purchase procedures etc

**3.6.6** The recommendation of the PCs would be put up for approval of the competent authority. After getting approval, the proposal will be forwarded to the Purchase section for taking procurement action.



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## Chapter 4

# Types or Modes of Procurement & Tendering

Sl.	Goods Value	Disposing End	Process
1	Upto Rs. 25000 (GFR: 154)	Individual	Purchase from relevant source without indent and quotations with valid GSTIN invoice. Invoice to be sent after stock entry and certification to F&A Section for payment / reimbursement.
2	Rs. 25,000 - 2.5 Lakhs by market survey through LPC (GFR: 155)	Department/ Section	The LPC as approved by Head of the Department/ Section shall be responsible to carry out purchase. The LPC will survey the market to ascertain the reasonableness of rate, quality and specifications and identify the appropriate supplier. The LPC will certify the quality and price reasonability.
3	Rs. 25,000 - 2.5 Lakhs through bidding		The DPC/ PPC as approved by Director responsible to carry out purchase by inviting quotations from at least three bidders through email/ hard copy and issue the PO to L1 responsive bidder subject to availability of fund and sanction of CFA.
4	Rs. 2.5 Lakhs - 25 Lakhs through bidding	Purchase Section	The DPC/PPC as approved by Director will recommend the indent for approval by CFA. After the approval of Indent, S&P section will invite quotations (in two bid system as applicable and prepare the checklist and Comparative Statement to be sent to DPC/PPC for further recommendation to issue the PO to responsive L1 bidder subject to availability of Fund (FC), Internal Audit Clearance and Sanction by CFA.
5	Rs. 25.00 Lakhs and above I. Advertised Tender Enquiry II. Limited Tender Enquiry III. Single Tender Enquiry (GFR 158 and 160)		The IPC as approved by Director will recommend the indent for approval by CFA. After the approval of Indent, S&P section will invite quotations (two bid system except single tender enquiry) as applicable and prepare the checklist and Comparative Statement to be sent to IPC for further recommendation to issue the PO to responsive L1 bidder subject to availability of Fund (FC), Internal Audit Clearance and Sanction by CFA.
6	Purchase of Goods from GeM	Individual/ Department/ Section/ Purchase Section	As per Chapter-5 of purchase manual following Institute directives/GFR.
7	Purchase of Goods under Rate Contract	Department/ Section/ Purchase Section	As per Chapter-6 of purchase manual

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#### 4.1 Purchase of goods without calling for quotations (GFR 154)

4.1.1 Purchase of goods up to a value of Rs.25,000/- on each occasion may be made without raising indent and inviting quotations/ bid subject to approval of the competent authority on the basis of a certificate. The format of the certificate is placed at Annexure-B.

4.1.2 The procured items shall be entered in the appropriate Stock Register/ Assets Register maintained by the concerned Department and the invoice may be sent to the F&A section for payment to the supplier/ reimbursement to the indenter in the prescribed format placed Annexure-R.

4.1.3 The Indenter/ Head of Department/ Principal Investigator vested with financial powers will be the sanctioning authorities for the expenditure within the limits of this clause including advance payments if required. Items of any nature, i.e. consumable or non-consumable can be procured under this clause from any place irrespective of the location of the vendor.

4.1.4 The sanctioning authority shall assure himself/ herself that the item is not available in stores before sanctioning the purchase of an item under this clause.

4.1.5 The necessary certificate as per Annexure-B shall be furnished by the officer/ Indenter actually making the purchase without calling quotation up to Rs. 25,000/- and counter-signed by the sanctioning authority i.e., the Head of Department/ Principal Investigator in the event the purchase has been made by an officer/ Indenter duly authorized by the Head of Department/ Principal Investigator.

4.1.6 It shall be the responsibility of the Indenter/ HOD/ Principal Investigator to certify the item proposed to be purchased under this category whether it is for Institute or R&D use under the sponsored project.

#### 4.2 Purchase of goods by Local Purchase Committee (GFR 155)

4.2.1 Purchase of goods costing above Rs. 25,000/- and upto Rs. 2,50,000/- on each occasion may be made on the recommendations of a duly constituted Local Purchase Committee (LPC) consisting of three members of an appropriate level as decided by the CFA. The committee will survey the market to ascertain the reasonableness of rate, quality and specifications and identify the appropriate supplier/vendor.

4.2.2 Before recommending placement of the purchase order, the members of the committee will jointly record a certificate as per Annexure-C.

4.2.3 The Indent for purchase of goods by LPC must be approved by the competent authority.

#### 4.3 Purchase of goods by obtaining bids at Department Level

4.3.1 Purchase of goods up to Rs. 2,50,000/- will be taken up by HOD/PI at the departmental level/ PPC level.

4.3.2 All stores of value more than Rs. 25,000/- need to be indented through a Departmental Purchase Committee (DPC)/ Project Purchase Committee (PPC), as the case may be.

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**4.3.3** Purchase of goods up to Rs. 2,50,000/- by the DPC/ PPC can be made by inviting quotations from vendors through e-mail/written enquiry, for which At least 3 quotations meeting the requirements are required. After receiving the quotations formal purchase order can be placed to L1 responsive bidder. All the relevant documents along with the quotations and approval of the CFA, has to be forwarded to S&P section for issue of purchase order, until purchase assistants are nominated.

**4.3.4** No Purchase will be made without obtaining Finance Concurrence for necessary budget allocation from the concerned budget head/F&A section.

**4.3.5** The HoD/Dean (R&D) vested with financial powers will be the sanctioning authorities for the expenditure within the limits of this clause including advance payments if required.

#### **4.4 Purchase of goods by obtaining bids at Purchase Section**

**4.4.1** Purchase of all stores above Rs. 2,50,000/- will be taken up by the Purchase Section based on the requisition/ indent received from the Heads of the Department/Section/PI/PC/CI along with the recommendations of the IPC/ DPC/ PPC and approval of Competent Finance Authority (CFA).

**4.4.2** All bids will be obtained through electronic mode only. The Notice Inviting Tender (NIT) shall be hosted on the institute's website and Central Public Procurement Portal (CPPP).

**4.4.3** For procurement of goods of estimated value of Rs. 25 lakhs (Rupees Twenty-Five Lakh) and above, an advertisement for NIT should also be made in the Central Public Procurement Portal (CPPP) / Government e Marketplace (GeM).

**4.4.4** There should be minimum of 21 days time period from the date of floating of the tender and for submission of bids by the prospective bidders.

**4.4.5** Bid opening dates will be two days after the bid submission deadlines for all e-procurement modes and same day for hard-copy sealed tender mode. Bid submission deadline and its opening date must be a working day only. If these dates fall coincide with holiday or weekend days, then these dates will be re-scheduled suitably by S&P section to the next working day.

**4.4.6** The bidders may be informed the date, time and venue of tender opening for their attendance, if interested.

**4.4.7** In case of number of submitted bids are less than three with in the submission deadline, then S&P section will extend the bid submission deadline for two more occasions of one week each. Even after this extension, total number of bids is less than three, then received bids will be opened irrespective of number of bids received (even if one bid is received) on this extended scheduled date & time.

**4.4.8** If total number of submitted bids is zero, then the purchase process will be closed and the indent will be cancelled. The Indenter has to re-verify the technical specifications to identify the reasons behind zero bids. If there is any change in technical specifications, it can be retendered or else based on the recommendations of the Purchase Committee, GTE may be initiated.

**4.4.9** After opening of bids, the techno-commercial / technical bids will be forwarded to IPC/DPC /PPC for evaluation. IPC/ DPC/PPC will evaluate all the bids and submit its recommendation.



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4.4.10 If any query / clarification is sought from the bidder by IPC/DPC/PPC, then the same will be communicated to the bidder by the Indenter. Bidders are required to submit clarifications / replies of queries within seven days. If Bidder(s) fail to submit the clarifications / replies within stipulated time, then IPC/DPC/PPC may take decision in this regard and may declare such bid(s) non-responsive.

4.4.11 The decision of IPC/DPC/ PPC will be forwarded to S&P section.

4.4.12 Based on the final decision of IPC/ DPC/ PPC, price bids will be opened by S&P section.

4.4.13 Based on Lowest (L-1) offer and recommendation of IPC/DPC/PPC, S&P section will place purchase order subject to clearance of Internal Audit, Financial concurrence and sanction of the competent authority. All draft P.O.s are required to be duly checked by Designated Purchase officer/staff and vetted by the Indenter before placement of purchase order.

4.4.14 After placement of order, S&P section/Indenter will coordinate with supplier/vendor/bidder for supply/delivery and installation of the item/complete the works on time as per purchase order.

4.4.15 Once the items are supplied / delivered and installed by the item / works are completed as per purchase order, then necessary stores receipt certificates, stock entry details, payment release recommendation and installation / work completion certificate are required to be submitted by the Indenter to S&P section.

4.4.16 S&P section after receiving the complete documentation necessary for payment release process viz. Invoice / challans, Performance Security etc. and stock entry details etc. from the indenter / department, will forward the file to Finance & Account section for release of payment after central stock register (Asset Register wherever applicable) entry and LD deduction (if any) to the supplier.

4.4.17 Finance & Accounts section will release the payment as per rules / procedures and intimate the supplier with details of the amount viz., PO amount, Invoice Amount, LD, TDS, final net paid amount, UTR / DD No. etc. via e-mail. If any query from the vendor / indenter is required, then F&A section will ask for the same from the vendor/ indenter/ S&P Section.

4.4.18 The purchase file is required to be returned to S&P section after payment completion along with payment details (amount, TDS, UTR / DD / Cheque no. etc.) and a copy of e- ledger / ledger / e-mail sent to vendor.

4.4.19 Limits of purchases as laid down above can be amended by Director from time to time taking into account of GFR.

## 4.5 Indent Approval and Financial Sanctioning Powers

4.5.1 The financial limits up to which the concerned person(s) has/have authority to approve and sanction purchases within the allocated budget of the department/ project/ functional area is as per the financial limits approved by the BoG in the name of 'Delegation of Financial Powers (DOFP)'. Such a person shall be referred to as the Competent Financial Authority (CFA). It is the responsibility of the CFA to ensure that sufficient funds are available for the purchase.

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4.5.2 Finance & Account section will block the required fund for the proposed indent, which is called Financial Concurrence. Before any purchase, concerned Head of the department must ensure the availability of the required fund i.e. Financial Concurrence (FC) should be obtained before any purchase. In the absence of FC, purchase procedure must not be initiated. In the anticipation / expectation of any grant in future or availability of fund in future, any purchase procedure should not be initiated. An indent should be considered by the final indent approving authority only after ensuring of fund availability and FC.

4.5.3 FC should normally be accorded for 10% above of the estimated cost.

4.5.4 Immediately after completion of purchase procedure and 100% release of payment in respect of the purchase, balance FC (if any) should be cancelled by F&A section, so that balance fund can be utilized for other purchases / purposes.

4.5.5 F&A section will arrange for development of an automated system for FC, so that concerned Head can check the budget / fund availability for his/her department / section and can block the required fund at his/her end using this automated system. Such automated system will reduce the time in FC process.

## 4.6 Emergency Purchases

4.6.1 Emergency is defined as urgent purchases required to be made at short notice in the event of a break down or crisis. The consequences of non-availability of the item shall also be spelt out in the indent form.

4.6.2 On the specific recommendation of the PI/PC/CI/Sectional Heads through HoD, emergency purchases may be made to meet any emergent requirement of stores with the prior approval of the Director based on single/limited quotation basis.

4.6.3 Emergency purchases, based on proper justification, will be carried out up to an amount of Rs. 5.00 lakhs only based on the recommendation of the DPC/PPC/a Committee constituted by the Director for the purpose. Above Rs. 5 Lakhs, based on case to case basis, with justification in detail, can be made with the approval of the Director

4.6.4 All such emergency purchase shall be approved and sanctioned by the Director of the Institute and the same be reported to the next meeting of the Board for ratification through proper channel.

*The committee shall endorse a certificate as per Annexure-E and forward to the S&P Section.*

## 4.7 Purchases from Government Organisations

4.7.1 Stores manufactured by Public Sector Undertakings, Government Organizations like Khadi Bhandar, State Khadi Udyog, Coir Board of India, KVIC, NTC etc. and such other stores/ materials the prices of which are controlled/ fixed by the Government may be purchased without inviting quotations from the open market.

4.7.2 In case of availability of more than one government organization for a particular item, purchase may be made after getting quotations from the government organizations. Newer Government organizations for supplies may be asked to submit relevant documentation before releasing a purchase order.

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## 4.8 Repeat Orders

Repeat Orders are processed subject to the following conditions:

- (a) The repeat order is made without any change in the rates, specifications as well as terms and conditions of supply.
- (b) Only one repeat order can be placed within 180 days from the date of Original Purchase Order.
- (c) No repeat order will be placed if buy-back is involved in the purchase.
- (d) Any amended order shall not be considered for repeat order.
- (e) The Purchaser must ensure that there is no downward trend of price of the commodity to be ordered under repeat order basis.
- (f) Purchase orders placed by the other IITs may also be considered for placing repeat order by IIPV Visakhapatnam with the approval of Competent Authority after due diligence study.

## 4.9 Modes of Tendering

Depending on the nature of the required goods, the quantity & value involved and the period of supply, the Institute Purchase Committee (IPC)/ Department Purchase Committee (DPC)/ Project Purchase Committee (PPC) must select after deliberation one of the following modes of procurement for items wherever no pre-indent exercise has been carried out:

**4.9.1 Open tender** – Advertisement in such cases should be given on Central Public Procurement Portal (CPPP) at <[www.eprocure.gov.in](http://www.eprocure.gov.in)> / GeM and in Institute's website.

**4.9.2 Limited Tender** - (only up to Rs. 25 lakh)-by sending the copies of bidding document directly by speed post/ registered post/ courier/ email to adequate number of reputed suppliers and also to be posted on Institute's website and GeM/ Central Public Procurement Portal (CPPP). The unsolicited bids should not be accepted however, the interested firms can be registered for next round of tendering.

- (a) However, Limited Tender Enquiry (LTE) method can be followed even in procurement of material worth more than (Rs. 25 lakhs) Rupees twenty-five lakhs when:
  - (i) The Indenting Officer certifies that the demand is urgent and any additional expenditure incurred through open advertisement shall not be fruitful; OR
  - (ii) When the sources of supply are reliable and the possibility of fresh sources of supply being available is remote. OR
  - (iii) It is not in public interest to adopt the open tender method.
- (b) However, such mode of procurement should be approved by the authorities as per delegation of powers attached to the Institute.
- (c) In case where the response to limited tender enquiry in respect of materials costing more than Rs. 25.00 lakhs is poor, i.e., if the response is only from two or less bidders, then the Purchase Committee may discuss and deliberate the issue on case to case basis and take a considered decision in accordance with the provisions whether to place the purchase order on the firm or to process the case afresh. However, the Tender Opening Committee(TOC) shall invariably open the bid/s irrespective of number of bids received on date and forward the same to S&P.





#### 4.9.3 Single tender:

- (a) Procurement from a single source may be resorted to by written enquiries from a single manufacturer/dealer/ Vendor/supplier under the following circumstances;
  - (i) In case of emergency, If the required goods/line items are necessarily to be purchased from a particular source then the reason for such decision is to be recorded and approval of competent authority obtained.
  - (ii) It is in the knowledge of the indenter that the goods/ equipment/line items required is are manufactured only by that particular manufacturer;
  - (iii) For standardization 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. However, the total cumulative value of such spares / accessories should normally be within a reasonable fraction of the main equipment.

Purchases on Single Tender Enquiry (STE) can be resorted to only during emergency situations, when the required goods are necessarily to be purchased from a particular source. In such situations the reasons for such decision is to be recorded and approved by the Sanctioning Authority.

- (b) The Indenter/Project Investigator should furnish a certificate as per Annexure-G and submit it along with the indent.
- (c) The reasonability of prices and acceptability of other terms and conditions should be confirmed by the Indenting Officer/Project Investigator and thereafter the proposal needs to be put up to the Institute/ Departmental Purchase Committee concerned for their recommendations. The S&P section may then place the Purchase Order after obtaining the sanction of the expenditure.
- (d) All Purchase related contracts above 25 lakhs are to be signed on stamp paper of Rs. 100/- or as per prevalent stamp duty rules based on value, shall be concluded by the Indenter of the Institute. The contract shall be countersigned by the Registrar.

#### 4.10 Purchases on proprietary basis:

Purchases on proprietary basis can be resorted to only when:

- (a) It is in the sure knowledge of the indenter that the item to be procured is manufactured only by a particular manufacturer and there is no other option except to purchase this item as it is having unique feature/patented technology which is essential for education and research activity and which is not available in any other similar equipment.
- (b) Spares, accessories, consumables etc. need to be procured which are required to be compatible with the existing sets of equipment or for standardization of machinery.

**4.10.1** All Purchases made on proprietary basis are on single tender basis while items procured on single tender basis need not be necessarily proprietary in nature.

**4.10.2** Proprietary Article Certificate (PAC) form as per Annexure-D should be signed by the Indenter/ Departmental Purchase Committee (DPC) duly countersigned by HOD must be submitted along with the indent.

**4.10.3** Quotations shall be called for by the Indenter without referring to Departmental Purchase Committee. Such quotations can be sent and received by FAX/e-mail/courier etc. irrespective of value. However, proper records of the enquiry so sent, should be maintained.

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**4.10.4** In the case of purchase on proprietary basis, the Indenter after receiving the offers along with Proprietary Article Certificate (PAC) and recommendation of the DPC/PPC may forward to the purchase Section for purchase of the item. In the event, price negotiation is warranted, the IPC/DPC/PPC may be involved in the negotiation and the decision/minutes of the negotiations be recorded.

## **4.11 Purchases of high value equipment & materials**

**4.11.1** In case of purchase of high value equipment, where the industrial environment is dominated by fast rate of obsolescence, the aim should be to buy the best and the latest with speed and transparency. Accordingly, such items may be purchased in a Fast Track mode. In such mode of purchase, normally specifications may be finalized after holding a Pre-Indent discussion/presentation and Conference.

**4.11.2 Pre-Indent Conference (PIC)/ Pre-Bid Conference (PBC):** The pre-Indent conference involves formal interaction with prospective manufacturers/ suppliers before framing specifications. The IPC/ DPC/PPC as the case may be shall hold a pre-indent conference to finalize the specifications (if felt necessary) of the required item(s) as per following:

- (a) On an assigned date the prospective manufacturers, their authorized channel partners or agents/ suppliers and system integrators, may be called for discussion with the committee. Copy of the Manufacturer's Authorization Form is enclosed in Annexure-H.
- (b) If need is felt, separate demonstration/ presentation can also be sought from the prospective vendors at convenient time and interval at the Institutes or in rare cases demo can be seen by the chairman or some members of the committee at suppliers premises or any other installation in India for which approval of the Sanctioning Authority may be necessary.

**4.11.3** The indent raised on the basis of specification finalized will be sent to S&P section for inviting quotations from the recommended parties in two bid mode as per rules.

**4.11.4** For the sake of transparency and in order to ensure that genuine parties participate in the PIC, Expression of Interest (EOI) can be sought from reputed firms.

**4.11.5** Further, to ensure that bidders have understood the requirement or in order to have some more clarification on technical aspects or any other issue, a Pre-bid Conference (PBC) may be arranged at least two weeks prior to the due date of submission of tender.

**4.11.6** In situations where the items required to be purchased are susceptible to rapid changes in technology or in case of turn key contracts or contracts of special nature for purchase of sophisticated and costly equipment then it is advisable to conduct a PBC so that the latest changes in specifications could be ascertained that shall serve the purpose.

**4.11.7** Changes may be incorporated in the bidding documents after the PBC so that all the prospective bidders are given equal opportunity to submit their offers according to the revised specifications/requirements.

**4.11.8** The changes made in the bidding document should be treated as amendment to the bidding document and the same should be displayed in the bid hosting platform and on the website of the Institute to enable all the bidders who could not attend the pre-bid conference to take care of the amendments. Specifications finalized after the pre-bid conference cannot be changed further and consequently there shall be no occasion for revision of price bids.





## 4.12 Adoption of Integrity Pact

As per directive of the CVC all organizations have to adopt an Integrity Pact (IP) to ensure transparency, equity and competitiveness in major Public procurement activities. The integrity pact envisages an agreement between the prospective bidders/ vendors with the buyer committing the persons/ officials of both the parties with the aim not to exercise any corrupt influence on any aspect of the contract. Only those bidders/ vendors who have entered in to such an integrity pact with the buyer i.e. IPE Visakhapatnam, would be competent to participate in the bidding. It is therefore mandatory to make it a condition for qualification in the bidding process in the tender document. The integrity pact would be applicable for any single purchase where estimated value of purchase exceed Rs. 3.0 (Three) crores on each occasion. The format is placed at Annexure – I.

## 4.13 Purchase of Spares/Accessories

The spares and accessories are very important for keeping the equipment functional during warranty & post warranty periods. At the time of purchase of any equipment and during its maintenance, the aspects of Vitality, Essentiality and Desirability (VED) of spares should be visualized/ assessed. As a matter of policy, the inventory of spares/accessories may be minimized.

## 4.14 Purchase under Two-bid system

4.14.1 In the Two-bid system the bidders are asked to send their bids in two separate sealed envelopes as under:

- (a) Technical bid consisting of all technical details along with Bid Security and commercial terms and conditions in one sealed envelope; and
- (b) Financial bid indicating item wise price for the items mentioned in the technical bid in the other sealed envelope.

These two envelopes may be put under one big envelop and shall be submitted as per instruction. The technical bids are opened first and analyzed for acceptability by the IPC/DPC/PPC. Thereafter, in the second stage, the financial bids of only the technically acceptable offers (as decided in the first stage above) are opened for further scrutiny, evaluation, ranking and placement of contract.

4.14.2 For Purchases of any equipment valuing above Rs. 10.00 lakhs two-bid system to be adopted.

## 4.15 Time frame for Tendering

The following time limit may be allowed to the bidders so that they can quote their best possible price. In case of urgency or adequate availability of sources, the time period can be reduced but proper justification for the same has to be furnished and accepted by the Purchase Committee. However, it should be ensured that adequate competition exists and fair chance is given to all the interested bidders to enable them submit their offers in time.

- (a) Single Tender Enquiry- 7 days
- (b) Domestic Tender Enquiry - 21 days
- (c) Global Tender Enquiry - 30 days



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## 4.16 Public Procurement (Preference to Make in India)

The Institute shall abide by the Public Procurement (Preference to Make in India), Order 2017, Department of Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce and Industry (MoCI) Order No. P-45021/2/2017-B.E.II dated 15th June, 2017 and subsequent amendments to the order. Accordingly, preference shall be given to the Make in India products while evaluating the bids, subject to technically qualifying & meeting the Institute's technical requirements. The bidder (s) is/ are to specify the product quoted by them is of Make in India product along with respective documentary evidence as stipulated in the aforesaid order and the quality is to be mentioned in the technical bid of the tender document. As per the above order and its subsequent amendments "Local Content" means the amount of value added in India which shall be value of the item procured (excluding net domestic indirect taxes) minus the value of the imported content in the item (including all the custom duties) as a proportion of the total value, in percent. Accordingly, the suppliers will be classified in following categories, at present:

- (a) Class I local Supplier – has local content equal to more than 50%;
- (b) Class II local Supplier – has local content more than 20% but less than 50%;
- (c) Non-local Supplier - has local content less than 20%.

**4.16.1 Verification of Local Content:** The Class I Local Supplier/ Class II Local Supplier/ Non-Local Supplier at the time of bidding shall be required to indicate the percentage of local content and provide self-certification that the items offered meet the local content requirement as per the above order or the subsequent amendments made thereafter to the order. The details of the location(s) at which the local value addition is made also needs to be specified as per the format placed at Annexure-J. In case of procurement in excess of Rs.10 Crores, the suppliers shall be required to provide the certificate from the statutory auditor or cost auditor of the company giving the percentage of local content. False declarations will be in breach of the Code of Integrity under Rule 175(1)(i)(h) of the General Financial Rules for which a bidder or its successors can be debarred for up to two years as per Rule 151 (iii) of the General Financial Rules along with such other actions as may be permissible under law.

**4.16.2 Requirement of registration:** The Institute shall abide by the Ministry of Finance (MoF) OM No. 6/18/2019-PPD dated 23rd July 2020 regarding requirement of the registration with DPIIT. Any bidder from a country sharing a land border with India will be eligible to bid in tender only if the bidder is registered with the Department for Promotion of Industry and Internal Trade (DPIIT). For details about registration procedures, the said OM can be referred. Mandatory documentary evidence regarding the bidder's registration with DPIIT, placed at Annexure -K, is to be submitted along with the tender, failing which the tender shall be liable for rejection.

## 4.17 Global Tender Enquiry

No Global Tender (GTE) shall be invited for tenders up to Rs. 200 crores or such limit as may be prescribed by the Government of India from time to time. Provided that for tenders below such limit, in exceptional cases, for procurement of specialized equipment required for research purposes, and spares and consumables, for such equipment upto Rs. 200 crore for the use of Educational and Research, the GTE can be placed with the prior approval of the Competent Authority (Secretary of Ministry), as notified by the Department of Expenditure from time to time, with the detailed justification.

The equipment should be of specialized nature required for research purposes and not the routine equipment used in offices.

However, prior to seek the approval from the Competent Authority, the detailed guidelines issued by the Government of India (Annexure-II to DoE, MoF letter F.4/1/2021-PPD dated 03.08.2021 and subsequent

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amendment thereto), in this regard, are to be fully complied with. The format for seeking the approval of the Competent authority is placed at Annexure-F.

## 4.18 Import Purchase Guidelines

**4.18.1** Any category of stores can be purchased from foreign suppliers/vendors/manufacturers subject to restrictions on imports as imposed by the Government of India from time to time.

**4.18.2** Provision of exemption in customs duty must be availed.

**4.18.3** Import should normally be made directly from the foreign principal manufacturers. In the event a purchase is made through an Indian agent of the foreign company, proof that the Indian agent is an authorized agent of the foreign principal manufacturers must be obtained and must be part of the documents pertaining to the purchase. Any commission of the agency which may be payable to the Indian agent can be paid only in Indian Rupees (unless there is a change in Government of India rules necessitating payment in foreign currency).

**4.18.4** If any foreign principal manufacturers have their branch offices in India then it can authorize any Indian agent to deal with Institute, in purchase related matters.

**4.18.5** All purchase orders requiring imports shall be done through the S&P Section. The S&P Section shall ensure that the item being imported does not fall under the restricted / negative/ banned category.

**4.18.6** Request for quotation for items to be procured through import may be sent through email by the indenter .

**4.18.7** The exchange rate , if received quotations are in foreign currency, should be considered on the date of opening of tender. This should be mentioned in the tender enquiry as well as corresponding documents clearly.

**4.18.8** The Registrar/DR/Staff from S&P will be responsible for placing orders, customs clearance, insurance and transportation of imported goods /line items etc. The F&A Section will arrange for the opening/ amending or extending letters of credit for import related purchases through authorized bank (s).

**4.18.9** Wherever required, the institute shall avail the services of clearing and forwarding agents for foreign consignments arriving by air/ sea. Such clearing and forwarding agents shall be hired on the basis of agreed terms or single consignment basis; whichever may be advantageous to the institute.

**4.18.10** The S&P section shall maintain a stock register in which all imported items received shall be entered. Delivery of foreign consignment to the purchaser will be made against the signature in this register. All imported items shall be appropriately entered in the departmental stock register and asset register (if applicable).

**4.18.11** Inspection Reports (IR) must be returned to S&P Section duly approved, or rejected, within three days of installation, failing which it will not be possible to lodge the claim of damage to the insurance company and it will be presumed that materials supplied are acceptable to the indenter.

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#### 4.19 Import of Items through Individual International Credit Card

- (a) Limit of payment of individual credit card is upto US\$ 2000, or equivalents as per directives of the RBI. The purchaser must take the approval from the Competent Financial Authority as per delegation of powers in advance.
- (b) Indenter must ensure that the purchased import item is not banned item as per Government of India regulations.
- (c) Indenter should also declare that the item is not for sale, or profit, making it clear that it is exclusively for research purpose.
- (d) Indenter should ensure that the item purchased is of proprietary nature and manufactured solely by the individual manufacturer and Indenter should also declare that the requirement will be fulfilled by this item only.
- (e) If the item is not of proprietary nature then the indenter should declare the price quoted by the Firm is quite reasonable in comparison with national / international market and that he/she has assured himself/herself by seeing the prices of different sources on the Internet.
- (f) S&P section/Indenter should get approval of CFA before placing the order by credit card and inform S&P Section for recording the amount for onward submission to the concerned Ministry.
- (g) Shipping mode and port of shipment must be clear in the order as to whether the shipment will be Ex- works/FOB/C&F/CIF/FAS etc.
- (h) Shipping details should be intimated by the indenter to the S&P before it is dispatched and shipping should be through institute authorized Freight Forwarder.
- (i) Each and every event development regarding the line item purchase should be intimated to the Stores & Purchase section to avoid delay in release leading to demurrages for the material.
- (j) After the receipt and installation / acceptance of the indented material, the stock-entry certificate must be given on the body of the invoice by the department. This invoice has to be submitted by the indenter to S&P Section for central stock entry along with the copy of the purchase order, approval of the purchase, sanction of expenditure, the Credit Card statement etc. The S&P Section after proper recording will forward the claim to F&A section for necessary reimbursement.

#### 4.20 Clearance of Imported Consignments

- (a) The Stores & Purchase Section shall be responsible for clearance of all imported consignments. Exemption for Custom Duty will be issued for various Scientific and Research equipment imported is as per the Government Notification No. 51/96-Customs dt. 23-7-1996.
- (b) Terms of shipment may be preferably accepted as FOB/FCA or CIF/CIP basis for major consignment.
- (c) FOB means Free on Board i.e. supplier will bring the equipment to the Airport of country of shipment and freight forwarder of the institute will pick-up item (s) from country of shipment to the Institute.
- (d) CIF/CIP price may be accepted on case to case basis, as it may be cheaper and faster. CIF/CIP means Cost, Insurance, Freight/ Carriage and Insurance Paid To.
- (e) In CIF/CIP, supplier has to bring the equipment to the nearest airport and custom clearance will be done by the CHA appointed by the Institute.

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- (f) If any equipment lies for more than 3 days (including allowed free clearance time) in Custom House attracts demurrage which is a penalty for non-clearance of material in time. The cost of which is very high for higher cost equipment. Additional non-clearance of item(s) within a month, leads to the auction of imported items by Custom officials.
- (g) In CIF/CIP, there are more chances of demurrage, in addition if all required documents/ information has not been provided to the Custom Office in time and it is difficult to recover the demurrage from supplier, if charged. In addition, lodging and realization of Insurance claims becomes more complicated as Institute does not have any control over payment of Insurance.

#### 4.21 Clearance of Non-Purchase Order Consignments

- (a) In case of Non-Purchase Order import purchases, indenter should inform to Stores & Purchase Section in writing, about such clearance stating fund code/details of funds where the expenditure to be debited on clearance.
- (b) Cargo arrival notice, airway bill, invoice and packing list should be sent in original to Stores & Purchase Section.
- (c) In absence of any document mentioned above, custom clearance will be difficult and it may attract demurrage.

#### 4.22 Re-export of Imported Items

Equipment can be re-exported for repairs or replacement. Following procedures may be followed for the re-export of the materials:

- (a) The letter from the indenter to re-export the defective equipment.
- (b) Consent letter from the foreign supplier that the company is ready to repair or replace the same.
- (c) Copy of the original purchase order.
- (d) Instructions from the indenters giving the details of fund to which the re-export charges to be debited.
- (e) Request letter in the name of Dy. Commissioner, Custom, CMS, International Airport for reshipment of equipment(s) quoting the reason for reexport.
- (f) The F&A Section will send a letter to authorized bank/agency for obtaining No Objection Certificate to re-export.
- (g) All above documents are needed to be attached along with the copy of original invoice & bill of entry together through our clearing agent to reexport. Equipment will be re-exported on Door to Door (DDP) shipment basis duly insured.

#### 4.23 Guidelines for Receiving Material

- (a) The authority issuing the PO shall be responsible for receipt of the materials and its inspection, with reference to the PO.
- (b) While receiving materials, PO reference, challan and invoice shall be verified.

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- (c) In case of perishable items, the supplier(s) may deliver the item(s) directly to the indenter and the indenter shall inform the Stores & Purchase Section or in-charge, store of Dept. as the case may be about such delivery.
- (d) In the event of any shortage/damage/wrong supply, action will be initiated by the Stores & Purchase Section or in-charge stores at Dept. level to rectify the same on recommendation of indenter.
- (e) Supplier / CHA needs to inform Purchase Section about delivery time and for any specific arrangement to be made for loading/unloading.
- (f) If CHA is involved, loading/unloading charges will be paid by the CHA which can be reimbursed.
- (g) If the material is received in damaged condition or it is observed that carton is broken/damaged, then the receiver should record the remark about nature of damage/defect or discrepancy on challan itself.
- (h) In case of large consignment/heavy shipment fork-lift may be hired and charges be debited to respective project/Dept. fund.
- (i) In case of labour is needed to unload the equipment, then charges may be debited to the respective project / Dept. fund.
- (j) When the material is received, either in Stores & Purchase Section or in department, an issue note (acceptance note) may be generated and sent it to the respective indenter along with the material.
- (k) Indenter is required to send the issue note (acceptance note) within a week to the Stores & Purchase Section/department store for generating and sending payment note to the Account Section.
- (l) If supplier fails to rectify the shortage/damage/wrong supply in a reasonable time, the matter shall be referred to the legal cell to recover the full cost paid. Stores & Purchase Section shall lodge Insurance claim, and pursue for the same.
- (m) Once the purchase has materialized satisfactorily, the items must be entered in the appropriate stock register of the department/project and in the Asset Register of the Institute.
- (n) If Stores & Purchase Section/Dept. store do not get back the Issue Note within a week, then reminder is to be sent to the Dept. store/indenter to know the reason for the delay.



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## Chapter 5

# Procurement through GeM

### 5.1 Purchase of items under GeM

- (a) As per institute requirement and subject to availability of the same in GeM portal, Goods and Services available on GeM portal are required to be procured mandatorily through GeM portal as per Rule 149.
- (b) Individual Departments/Sections/Centres may procure the goods through GeM portal for an amount upto Rs.5,00,000/- within the delegated Financial powers.
- (c) Items costing upto Rs. 25000/- may be procured outside GeM, if there is an immediate requirement, items are not available at GeM portal, Items are available at GeM but delivery at IIPe Visakhapatnam is not available.

### 5.2 The GeM portal is to be utilized for direct online purchases as under:

- (a) Purchases Up to Rs. 25,000/- can be made through any of the available suppliers on the GeM portal, meeting the requisite quality, specifications and delivery period.
- (b) Purchases above Rs. 25,000/- and up to Rs. 5,00,000/- can be made through the GeM portal seller quoting lowest price amongst the available sellers (excluding Automobiles where limit of Rs.30,00,000/- will be applicable), of at least three different manufacturers, on GeM portal, meeting the requisite quality, specifications and delivery period. In addition, the tools for online bidding and online reverse auction available on GeM portal can be used by the Buyer for procurement(s) less than Rs. 5,00,000/-.
- (c) Purchases above Rs. 5,00,000/- can be made through the supplier quoting lowest price meeting the requisite quality, specifications and delivery period after mandatory acquirement of bids, using online bidding or reverse auction tool provided on GeM portal (excluding Automobiles where current limit of Rs. 30 lakhs will continue).

**5.2.1** The Buyers may ascertain the reasonableness of quoted prices before placement of order using the Business Analytics (BA) tools available on GeM including the Last Purchase Price on GeM, Department's own Last Purchase Price etc.

**5.2.2** GFR 149 allows direct online purchases on GeM up to Rs. 25,000/- through any of the available suppliers on the GeM, meeting the requisite quality, specification and delivery period. However, this is subject to procuring authorities certifying the reasonability of rates. While making such direct online purchase below Rs. 25,000/-, the buyer should have approval of competent authority and should also record reasons for selecting the specific product in case lowest priced products are not being accepted / ordered.



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5.2.3 Tools have been deployed on GeM portal to show the price of compared products on other e-commerce sites (wherever available) and also the rates at which orders have been placed on GeM for such items in recent past. While taking decision on reasonableness of price, the buyers may also take into account the discount over MRP; Last Purchase Price on GeM, Department's own Last Purchase Price; rates on other e-commerce websites etc. The prices on e-commerce site give a broad idea and its terms and conditions may be different. If it is found that the price available on GeM marketplace is not reasonable or is substantially higher than e-commerce sites or LPP, the GeM Portal provides tools for online bidding or reverse auction which can be used by the Buyers to get better competitive rates and then satisfy themselves about reasonableness of the price as per GFR -2017 before placement of contract. Bidding should be considered as the preferred mode of procurement above Rs. 25,000/-.

5.2.4 It will be mandatory for a buyer to generate a "GeM Availability Report and Past Transaction Summary" (GeMAR&PTS) with a unique ID on GeM portal using login credentials on GeM for procurement outside GeM. The Past Transaction Summary will be provided, wherever applicable. GeMAR&PTS shall be pre-requisite for arriving at a decision by the competent authority for procurement of required goods and services by floating a bid outside GeM/ Custom bid in GeM and its unique ID would be required to be furnished on the publishing portal along with the tender proposed to be published.

### 5.3 Steps to be followed while buying goods & services under direct purchase from GeM Portal:-

#### 5.3.1 When Value of Goods/Services is up to Rs 25000/-

- Go to the webpage of **GeM portal** <https://gem.gov.in/>
- Login with credentials i.e. user ID and password, fill in the captcha;
- Please search the item from search bar or by shop by category;
- Provide the name of consignee, delivery location and quantity of items required;
- Add that item to cart, item will remain there for 10 days;
- Go to your cart and proceed, click direct purchase and continue;
- Provide financial details;
- Upload the sanction of competent authority in pdf format (As per Annexure-L);
- Please accept and save general contract form;
- E- verify the same by getting OTP on registered mobile no.;
- Fill the OTP at stated place to generate Contract order;
- Contract order will be generated and information related to supplier will be found mentioned on supply order;
- For other queries related to goods in question you can contact supplier;
- After receiving of goods please login and go to Dashboard;
- Click on Contract No. and generate PRC (provisional Receipt Certificate) After acceptance of goods, generate CRAC (Consignee's Receipt cum Acceptance Certificate) which will be enabled after PRC;
- After receiving the invoice from the firm with goods, do the stock entry and send the file immediately to F&A Section for payment. **Payment should be done within 10 days of generation of CRAC.**

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### 5.3.2 When value of goods is more than Rs.25000 and upto Rs. 5Lakhs.

- Go to the webpage of GeM portal <https://gem.gov.in/>
- Login with credentials i.e. user ID and password, fill in the captcha;
- Please search for desired item;
- Provide the name of consignee, delivery location and quantity of items required;
- You can apply filters to get the specifications of desired item as per your requirement (Filters are provided at left hand corner);
- Select desired item of three different OEMs/ brands/make to compare;
- Add one by one these items for comparison;
- After adding three different OEM make of desired item, please click on "start compare";
- A comparison sheet will be generated;
- As per comparison sheet, please cart the L-1 product;
- The carted item will remain in cart for 10 days;
- Go to the cart and proceed, click on "get best price"
- GeM will create a purchase requisition for the said item;
- After 2 calendar days, will get the best price for the selected item;
- Proceed to create order;
- Provide financial details;
- Upload the sanction of competent authority in pdf format (As per Annexure-L);
- Please accept and save general contract form;
- E- verify the same by getting OTP on registered mobile no;
- Fill the OTP at stated place to generate Contract order;
- Contract order will be generated and information related to supplier will be found mentioned on supply order;
- For other queries related to goods in question one can contact supplier;
- After receiving of goods please login and go to Dashboard;
- Click on Contract No. and generate PRC (provisional Receipt Certificate);
- After acceptance of goods, generate CRAC (Consignee's Receipt cum Acceptance Certificate) which will be enabled after PRC;
- After receiving the invoice from the firm with goods, do the stock entry and send the file immediately to F&A Section for payment. **Payment should be done within 10 days of generation of CRAC.**



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## Chapter 6

# Rate Contracts

### 6.1 Rate Contracts

A Rate Contract (RC) is an agreement between the Institute and the supplier / distributor / manufacturer for supply of specified goods (and allied services if any) at specified price and terms & conditions during the period covered by the Rate Contract. No quantity is mentioned nor is any minimum drawl guaranteed in the Rate Contract. The Rate Contract is in the nature of a standing offer from the supplier firm.

6.1.1 The firm and/or the purchaser is entitled to withdraw/ cancel the Rate Contract by serving an appropriate notice on each other. However, once a Purchase Order is placed on the supplier for supply of a definite quantity in terms of the rate contract during the validity period of the rate contract, that Purchase Order becomes a valid and binding contract.

6.1.2 RC may be concluded for the following items:

- (a) Commonly used goods needed on recurring basis.
- (b) Goods for which prices are likely to be stable.
- (c) Goods for which Rate Contract is convenient to operate.

6.1.3 The Institute may conclude rate contracts for Machine Tools, Information Technology Products, Furniture, Stationery, PCs & ACs, Routine Appliances, Ancillary Spares and similar products and Chemicals, Solvents, Glassware where the design feature, performance parameters etc. of such products/goods differ significantly among the products of different manufacturers and even between different models of the same manufacturer and where equitable comparison of prices of such products is not feasible. Such Rate Contracts may be concluded on discount on Net Dealer Price (NDP) basis.

6.1.4 The period of a Rate Contract should normally be one year. However, in special cases, shorter or longer period may be considered.

6.1.5 Normally, rates for RC should be obtained from manufacturers especially in specialized consumable items like chemicals, glassware, plastic wares, computer consumables, etc. For general items authorized dealers/ stockiest/ retailers may also quote for the purpose of concluding RC. The credibility of these dealers/stockiest/retailers should be kept in mind while deciding the conclusion of the rate contract. Deliberately adding restrictive clauses like insistence on having local dealers of the manufacturers should be avoided so long as there is an efficient supply chain and the firm is willing to supply directly.



**6.1.6** Wherever there is a rate contract between IIPE and a supplier / distributor / manufacturer, purchase order can directly be placed to the concerned firm subject to approved indent and FC. However, in such cases, a single order should not be of more than Rs. 2,50,000/- on each occasion.

**6.1.7** For order of more than Rs. 2,50,000/- and up to Rs. 25,00,000/-, preferably limited tender enquiry should be floated by the procurement section among all the firms/ suppliers having rate contract with IIPE for similar type of goods to obtain sealed bids. Offered price in this case must be same or less than the rate contract price. For goods costing more than Rs. 25,00,000/-, open tender is required.

**6.1.8** If there is only one vendor of a particular type of goods, then direct order may be placed for the goods costing up to Rs. 2,50,000/- on each occasion. For goods costing more than Rs. 2,50,000/-, limited tender enquiry may be floated by S&P section among available vendors (list to be collected by internet searches).

**6.1.9** However in all cases, final L-1 offered rate (either by way of open tender or limited tender) should not be more than the rate contract price. If final L-1 offered rate is higher than the rate contract price, then order must be placed on the rate contract vendor (having lower rate than the L-1 offer based on tendering process) irrespective of indent value.

**6.1.10** Even if rate contract exists, the indenting division may procure such items (available in rate contract) costing up to Rs. 2,50,000/- from any other supplier, if price is lower than the rate contract price.

**6.1.11** The tender documents for RC shall contain the following salient conditions.

- (a) Submission of Performance Security (PS) is applicable.
- (b) In the Schedule of Requirement, if any, no quantity is mentioned; only the anticipated drawl may be mentioned without any commitment.
- (c) The Institute reserves the right to conclude more than one rate contract for the same item.
- (d) The Institute as well as the supplier may withdraw the rate contract by serving suitable notice to each other. The prescribed notice period is generally thirty days.
- (e) The Institute has the option to re-negotiate the price with the rate contract holders.
- (f) In case of emergency, the Institute may purchase the same item through ad-hoc contract with a new supplier.
- (g) Terms of delivery in rate contracts should be FOR destination.
- (h) The Purchase Order may be placed on any of the RC holder and no comparative statement of prices is required to be prepared for the purchase of items on RC basis.
- (i) The rate contract will be guided by "Fall Clause".

**6.1.12** The modalities for concluding of the RC shall be decided by the purchase committee of the Institute (IPC). It is not mandatory to solicit RC proposal through press tender in case the sources of supplies are definitely known.

**6.1.13** The purchase committee will ensure that the equitable distribution of orders for items amongst RC firms and may devise a suitable mechanism in this regard.

**6.1.14** The detail of the RC should be hosted on the website of the Institute.

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## 6.2 Parallel Rate Contracts (PRC)

In cases where it is observed that a single supplier does not have enough capacity to cater to the entire demand of an item, the Institute may enter into more than one rate contract with different suppliers for the same item at the same price. Such rate contracts are known as Parallel Rate Contracts. Such PRCs are normally valid for 12 months. Where ever technological obsolescence is very high with regard to IT related goods PRCs may be revised at every quarter along with technical review of such IT goods.

## 6.3 Fall Clause

Fall Clause is a price safety mechanism in Rate Contracts. The fall clause provides that if the rate contract holder/holders reduce the price or sells or even offers to sell the rate contracted goods similar to those of the rate contract, at a price lower than the rate contract price, to any person or organization during the currency of the rate contract, the rate contract price will be automatically reduced with effect from that date for all the subsequent supplies under the rate contract and the rate contract amended accordingly.

## 6.4 Renewal/Extension of Rate Contract

It should be ensured that new rate contracts are made operative right after the expiry of the existing rate contracts without any gap for all rate contracted items. In case, however, if it is not possible to conclude new rate contracts due to some special reasons, timely steps are to be taken to extend the existing rate contracts with same terms, conditions etc. for a suitable period, with the consent of the rate contract holders. Rate Contracts of the firms, who do not agree to such extension, are to be left out.



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## Chapter 7

# Bid Security and Performance Security

### 7.1 Bid Security/ Earnest Money Deposit (EMD)

**7.1.1** Bid Security (BS) also known as Earnest Money Deposit is a form of monetary security obtained from the bidder, in case of Advertised or Limited Tender Enquiry, as a safeguard against withdrawal/alteration of bid during the bid validity period and more so showing earnestness in participating in tendering process.

**7.1.2** Bid Security may be taken in cases for equipment/ material /line items costing above Rs. 5,00,000/-. The Sanctioning Authority i.e., the Director of the Institute in the rare cases may waive off the condition of Bid Security in case of highly reputed firms in case of indignation/development tenders, limited tenders and procurement directly from the manufacturer or authorized agents.

**7.1.3** Bid security may be collected @ 2%-5% of the estimated value in the form of Account payee Demand Draft (DD) /Fixed Deposit receipt pledged in favour of "IIPE Visakhapatnam", Banker's Cheque or Bank Guarantee from any of the Commercial Banks or payment online in an acceptable form and it should be valid for a period of 45 days beyond the bid validity period. All tenders received without Bid Security, wherever applicable shall be summarily rejected. The DD/ FDR may be issued by any nationalized/ scheduled commercial bank. In case the same is obtained in foreign currency, it should preferably be obtained in the shape of bank guarantee for @ 2%-5% of the estimated value to avoid exchange rate variations/ fluctuations and got confirmed by any scheduled/ nationalized Indian bank. The format for bank guarantee is attached at Annexure-M.

**7.1.4** The bid security may be forfeited if the bidder withdraws or amends or impairs or derogates from the tender in any respect his/her/its tender during the bid validity period or fails to accept the contract or fails to furnish the require PS within the specified period.

**7.1.5** The firms registered with DGS&D, NSIC and with IIPE Visakhapatnam, if any, are exempted from payment of Bid Security, in lieu bidders may be asked to sign "Bid Security Declaration" accepting that if they withdraw or modify their bids during period of validity etc., they will be suspended for the time specified in their tender documents or as notified by the Government of India and amended from time to time.

**7.1.6** The Bid Security furnished by all unsuccessful bidders should be returned to them without any interest whatsoever, at the earliest but not later than 30 days after award of the contract. However, in case of two packet or two stage bidding, bid securities of unsuccessful bidders during first stage i.e. technical evaluation etc. should be returned within 30 days of declaration of result of first stage i.e. technical evaluation etc.

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## 7.2 Performance Security (PS) or Performance Bank Guarantee (PBG)

**7.2.1** Performance Security (PS) @ 10% (presently 3% of the value of contract as per MoF/DoE letter No. F.9/4/2020-PPD dated 30.12.21, valid till 31.03.2023) of the total order value above Rs. 5,00,000/- shall be taken from the ordered firms. PS shall be obtained before release of full payment (in case of indigenous stores) and before release of balance payment (in case of import purchase). PS must be valid up to 60 days beyond the date of completion of all contractual obligations of the supplier including ordered warranty period. The quantum/ percentage of PS may be increased/ decreased or waived off with the approval of the Director in special cases with sufficient justification. Format of Performance Security is attached at Annexure-N.

**7.2.2** The PS may be denominated in Indian Rupees or in foreign currency. The PS may be obtained in the form of Account Payee Demand Draft/ Fixed Deposit Receipt pledged in favour of "Indian Institute of Petroleum and Energy, Visakhapatnam"/ Bank Guarantee/ online payment in an acceptable form safeguarding the institute's interests in all respects.

**7.2.3** Purchase orders not honoured by the firm for any reason may be cancelled and EMD/ PS submitted may be forfeited. The defaulting firm should not be considered for participation in any kind of tendering by the Institute for the next six months. In normal circumstances when the L1 bidder backs out retendering should be done but in case of POs up to Rs. 2,50,000/- if the ordered firm backs out then order can be considered to be placed to the L2 firm with L1 price based on the sufficient reasons/justifications provided by the DPC/PPC/LPC.

**7.2.4** In rare cases where goods have been procured on proprietary basis or the companies supplying the goods are of international repute, the matter of non-furnishing of Performance Security, if any, may be brought to the notice of the Director of the Institute for final decision.

**7.2.5** Performance Security should be refunded to the supplier without any interest, whatsoever, after it duly performs and completes the contract in all respects but not later than 60 days of completion of all such obligations.



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## Chapter 8

# Tender Documents

### 8.1 Tender documents

**8.1.1** The tender documents which comprise the detailed technical specifications, drawings, terms & conditions and Proforma in which the tender is to be submitted.

**8.1.2** All the terms & conditions are to be shown in the appropriate chapters of the Invitation for Bids as given below:

Chapter 1 - Notice inviting tenders

Chapter 2 - Instructions to bidders

Chapter 3 - General and special Conditions of Contract

Chapter 4 - Schedule of Requirements

Chapter 5 - Specifications and allied technical details

Chapter 6 - Price Schedule (to be utilized by the bidders for quoting their prices)

Chapter 7 - Qualification Requirements

Chapter 8- Other standard forms, if any, to be utilized by the purchaser and the bidders.

**8.1.3** The text of the bidding document should be user-friendly, self-contained and comprehensive without any ambiguities. All essential information, which a bidder needs for sending responsive bid, should be clearly spelt out in the bidding document in simple language preferably English.

**8.1.4** The basis of comparison between the indigenous/ foreign bidders should be indicated clearly in the bidding documents. It may also be made clear whether overall lowest or item-wise individual lowest rates shall be the criteria for evaluation.

**8.1.5** Tender document may also take care of pre-bid conference aspect if felt necessary.



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## Chapter 9

# Receipt and Opening of Tenders

### 9.1 Receipt of Tenders

Tenders received either by post or courier or by hand (excepting for tenders received against Single Tender Enquiry) shall be dropped in the tender box, duly locked and sealed and its keys shall be with the designated officer of Stores & Purchase Section. If the tender is hosted in online platform the bid must be submitted online.

### 9.2 Late/Delayed Tenders

**9.2.1** 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".

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

### 9.3 Tender Opening Committee

**9.3.1** Tenders for items where no bid security is applicable which are received in open condition or through FAX or email or telegram 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 any officer of the S&P section before the scheduled date & time of opening of bids and caused to be deposited into the tender box for formal opening by the Tender Opening Committee.

**9.3.2** There may be cases where the tenders are too bulky to be put in the tender box or the S&P section is yet to install tender box and, therefore, the tenders are to be submitted by hand. In such cases, it should be ensured that names and designations of at least two officers, who will receive the tenders, are prominently mentioned in the tender documents.

**9.3.3** The information about these officers should also be displayed at the entrance/ reception of the premises where tenders are to be deposited. The officer receiving a tender is to give the bearer of the tender a receipt duly signed by him/her with date and time of receipt of the tender. A separate register is to be maintained for keeping records of the bids, received by hand. Such bids will be kept in safe custody with the Purchase section till the date & time of bid opening and then such bids will be handed over to the TOC.



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#### 9.4 Postponement of tender opening date

Sometimes, situations may arise that may necessitate modifications in the tender documents already issued or already put on sale. Also, after receiving the documents, a tenderer may point out some genuine mistakes necessitating amendment in the tender documents. In such situations, it is necessary to amend/modify/extend the date of submission of tender documents.



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## Chapter 10

# Evaluation of Tenders and Finalization of Contracts

### 10.1 Introduction

Evaluation of tenders is one of the most serious exercises in the process of procurement. Therefore, it needs to be done strictly on the basis of the terms & conditions described in the tender documents. The process and basis for evaluation may be spelled out in the tender documents to leave out any ambiguity and keep the process transparent.

### 10.2 Preliminary Examination

During the preliminary examination, the committee may also find some minor informality and/or irregularity and/or non-conformity in some tenders. The committee may waive the same provided it does not constitute any material deviation and financial impact, technical specifications, deliverables, and, also, does not prejudice or affect the ranking order of the tenderers.

### 10.3 Qualification Criteria

The committee is to examine bids and find whether required qualification criteria incorporated in the tender enquiry document is met by the received bids. The bids, which do not meet the required qualification criteria are to be declared unresponsive and not to be considered further and the grounds for their becoming unresponsive may be recorded.

### 10.4 Scrutiny of Responsive Bids

**10.4.1 Single Bid –** In case of single bid comparative statement of the qualified (meeting the stipulated terms & conditions of the tender) bidders may be prepared indicating the rates quoted including all taxes, discounts, freight charges etc. Normally, the lowest bidder (L1) should be the qualified for supply of goods. However, clarification may be sought from bidders who do not meet the specified criteria and those who do not respond within a time frame or are unable to clarify suitably may be rejected with justification.

**10.4.2 Two-bid System-** In case of two-bid system the technical bid will be opened first and will be evaluated by the committee with respect to the qualification criteria and the technical specifications as spelt out in the tender. The tenders meeting the qualification criteria and technical specifications will be short listed for financial evaluation. Then, the financial bids of the short listed parties will be opened and

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evaluated for lowest responsive offer. After opening of the financial bids, L1 will be recommended for placing order.

## 10.5 Conversion of Currencies

When bids are received in different currencies, the comparative statement shall clearly give the exchange rate as notified in the newspapers on the date of opening of the bid and the quoted price in rupees in the case of single bid system. However, when two bid system is adopted, then the exchange rate as notified in the newspapers on the date of opening the financial bid should be the basis for preparing the comparative statement. Website [www.xe.com](http://www.xe.com), [www.rbi.org](http://www.rbi.org) or any other website can also be seen for spot conversions of foreign currencies.

## 10.6 Reasonableness of Prices (ROP)

In the case of qualification of a single technical bid (including procurement under PAC), price of the bidder be evaluated to find its reasonableness as per following criteria:

- (a) Last Purchase price of same (or, in its absence, similar) goods in the Institute/ other CFTIs and reputed Government R&D organizations;
- (b) Current market price of same (or, in its absence, similar) goods / Company Price List or declared rates on the Net;
- (c) Receipt of competitive offers from different sources;
- (d) Quantity involved;
- (e) Terms of delivery;
- (f) Period of delivery;
- (g) Economic indices of raw material/labour;
- (h) Other input cost and intrinsic Value.



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## Chapter 11

# Inspection of Goods

### 11.1 Inspection of goods

11.1.1 The indenter shall inspect the materials as indicated in the tender documents as soon as it arrives. Normally the concerned Section should ensure completion of inspection within five (05) days of receipt of advice from the stores in case of Indigenous goods.

11.1.2 For imported items the packing may be opened in the presence of the Indian Agent to avoid short/damaged supply due to improper packing.

11.1.3 In all cases 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.

11.1.4 With a view to ensure that the claims on the insurance companies are lodged in time, it is advised to stipulate in the Purchase Order/Contracts, where Indian Agent is available, that he/she is responsible for the follow-up with his/her principals for ascertaining the dispatch details and informing the same to the Institute and he shall also liaise with the Institute to ascertain the arrival of the consignment after clearance so that immediately thereafter in his/her presence the consignment could be opened for inspection and insurance claim be lodged, if required, without any loss of time. The contract/purchase order may also indicate that any delay on the part of the Indian Agent would be viewed seriously and he/she shall be directly responsible for any loss sustained by the Institute on the event of delay. In such cases Liquidated Damages for the loss/delay can be claimed by the institute.

11.1.5 In case a written complaint is received from the supplier disputing rejection of the goods by the Institute, the same should be jointly investigated by a team consisting of an authorized representative of the supplier and a team of the Institute as decided by the Director.

### 11.2 Bill Clearance Schedule

Once the inspection is completed 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 S&P section within 03 (three) working days after the inspection is over. The S&P section shall send the same directly to accounts within 04 (four) working days for payment and then the accounts must arrange payment to the vendor within 05 (five) working days from the date of receipt of bill.

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## Chapter 12

# Payments

### 12.1 Payment Terms

12.1.1 The following payment terms will be followed in case of Institute procurement:

- (a) Indigenous Purchases – 100% payment after successful installation and commissioning and acceptance by the user subject to submission of PS @ 10% of the order value valid up to 2 months beyond warranty period.
- (b) Import Purchases – LC will be opened for 100% payment. Maximum upto 90% payment will be released against dispatch documents and balance amount after successful commissioning and acceptance by the user subject to submission of PS@ 10% of the order value valid up to 2 months beyond warranty period.
- (c) Advance Payment - There may be occasions when a reputed supplier insists on advance payment. In all such cases, the Competent Authority shall decide on a case to case basis for advance payment to the supplier.

12.1.2 The advance payment could also be made to the vendor against Bank Guarantee from a scheduled/ nationalized commercial bank of equivalent value of advance amount. The BG/ remaining amount shall be released only after receipt and acceptance of material in good condition or after satisfactorily installation and commissioning of the equipment. The format of the bank guarantee to be obtained for releasing the payments in advance is enclosed at Annexure-O.

### 12.2 Part Payment

Depending upon the terms of the delivery and milestones incorporated in a contract, part payment to the supplier may be released after it dispatches the goods from its premises in terms of the contract subject to inspection.

### 12.3 Payment against Delivery

12.3.1 There may also be cases when payment against delivery, which is commonly in practice for smaller value items (upto 2.5 lakhs) and with traders who supply against cheque/online transfer, needs to be released. However, the S&P section should ensure that the material is inspected and found acceptable as per requirement.



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**12.3.2** Where payments are required to be released against fabrication contracts, depending upon progress of work in a staged manner, such payments may also be allowed based on verification & inspection and any other suitable safe guards as considered appropriate.

## 12.4 Import payments

In case of imports, when payment against sight draft/ advance foreign currency draft/ LC is a condition, such payments may be allowed after financial sanction is accorded by the Competent Authority subject to the limits prescribed by the RBI.

## 12.5 Payment for Annual Maintenance Contracts (AMC)

**12.5.1** In case of annual maintenance contracts/ repairs, advance payment sufficient to cover one-year or more AMC charges can be allowed by the Competent Authority.

**12.5.2** Any other payment terms can be accepted in exceptional cases on the approval of Competent Authority with concurrence of Finance. In cases where advance is required to be drawn, the Competent Authority, within the powers delegated may sanction the same.

**12.5.3** The bid documents must specify the currency (currencies) in which the bids are to be priced. As a general rule, domestic bidders are to quote and accept their payment in Indian currency. Indian Agents of foreign suppliers are to receive their agency commission in Indian currency. Costs of imported goods, which are directly imported against the contract, may be quoted in foreign currency (currencies) and paid accordingly. The portion of the allied work and services, which are to be undertaken in India (like installation & commissioning of equipment) are to be quoted and paid in Indian currency.

## 12.6 Settlement of Advances

Advance payments once made to the parties are reflected in books of Accounts and remain as such till the advance is adjusted.

## 12.7 Payment through LC

- (a) In view of the electronic transfer of payments, the margin money payment for opening Letter of Credit and issuing of Drafts etc. is to be done by the F&A section. Release of payment will be done by Finance and Accounts Section.
- (b) S&P section will send the request to F&A section for making payment towards margin money for opening LC for the proposals already approved by the Competent Authority.

## 12.8 Safeguards in respect of Bank Guarantees

To avoid receipt of forged /fake bank guarantees submitted by supplier/ Contractor /vendor / bidder the following points should be noted and ensured:

- (a) Copy of proper prescribed format on which BGs are accepted from the suppliers/ contractors /vendors/bidders should be enclosed with the tender document and it should be verified verbatim on receipt with original document.

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- (b) It should be insisted upon the contractors, suppliers etc. that BGs to be submitted by them should be sent to the organization directly by the issuing bank.
- (c) In exceptional cases, where the BGs are received through contractors, suppliers etc., the issuing branch should be requested to immediately send a copy of the guarantee directly to the organization with a covering letter to compare with the original BGs and confirm that it is in order.
- (d) As an additional measure all BGs should be independently verified by the organizations, which do not receive directly from Bank.

## 12.9 Payment for Import Purchase

- (a) Payment for import shall normally be made through 90% irrevocable confirmed letter of credit (against submission of documents) and balance 10% on satisfactory installation report from the user department through wire transfer.
- (b) In case of purchase order value less than Rs.10 lakhs, 100% payment can also be made by a foreign demand draft after satisfactory installation report received from the user department. In this case demand draft will be prepared against Proforma Invoice(PI) and photocopy of the same will be forwarded to the foreign supplier.
- (c) Advance payment (other than (a) and (b) above) by a foreign currency draft/Telegraphic Transfer can be made up to a value of US\$ 10,000/-(or equivalent in foreign currency). For such payments, the advance payment will be treated as an advance against the purchase until it is adjusted. However, in such a case the credential of the supplier needs to be verified and recommended by the Indenter/HOD before release of payment.
- (d) All advance payments shall be approved by the Director/ President, Board of Governors (as the case may be) on the basis of recommendation of the DPC/IPC (if the purchase value is more than Rs.5 lakhs).
- (e) If the payment term is against delivery/COD (cash on delivery)/ then after receiving the goods indenter shall inform S&P to release the payment after satisfactory installation.
- (f) In the case of balance 10% payment, after receipt of satisfactory Inspection Report, the items must be entered in appropriate stock and asset register. The S&P will submit the necessary documents to F&A Section for release of payment. The F&A Section will ensure that the payment due are released through bank transfer/cheque/draft directly to the seller.
- (g) Under exceptional circumstances, with specific request from the S&P Section the cheque/draft can be given to the purchaser for onward transmission to the seller. In such a case the purchaser shall be responsible for submission of the receipt from the seller to F&A Section. In all other cases, when payments are released by F&A Section, intimation to this effect must be sent by the F&A Section to the supplier and S&P Section for information.

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## Chapter 13

# Contract Management

### 13.1 Introduction

Contract Management involves monitoring the implementation of a contract after it is placed to ensure timely completion of all the indented supplies and related services reflected in the contract as per terms & conditions incorporated therein.

### 13.2 Follow up of orders

**13.2.1** Once order has been placed, it is the duty of officer of S&P section/designated staff to ensure that the vendors supply what has been ordered as per the PO, within the stipulated time.

**13.2.2** The Institute has to ensure that the suppliers receiving the contract furnish the required Performance Security in the prescribed form by the specified date, failing which necessary action including forfeiture of the Earnest Money Deposit is to be taken against the supplier/vendor/contractor/bidder.

**13.2.3** The supplier/vendor/contractor/bidder should acknowledge and unconditionally accept the Purchase Order (PO) within maximum period of 7 days from the date of issue of contract. While acknowledging the Purchase Order, the supplier/vendor/contractor/bidder may raise some issues and/or ask for some modifications against some entries in the PO, such aspects shall be immediately looked into for necessary action and, thereafter, supplier's unconditional acceptance of the PO to be obtained.

### 13.3 Amendment to Purchase Orders/ Contracts

**13.3.1** Amendments to all purchase orders not involving financial implications and Letter of Credit (LC) amendments without any change in purchase order price, specifications, ordered quantity and delivery period may be made directly by officer of S&P section in consultation with the Purchase Committee if required. Finally the same will be approved by the appropriate authority.

**13.3.2** It may be ensured that the amendments are in the overall interest of the Institute. Further, in the case of imports, where payment is through Letter of Credit (LC), the LC extension charges should be borne by the supplier, if the same is being extended on the request of the vendor. Sanctioning Authority may however waive off such petty expenses in the overall interest of smooth execution of the contract.

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### 13.4 Receipt of materials

**13.4.1** The receipt of all ordered material has to be made in the Stores Section and a report of such receipts must be sent to S&P section by the Indenter as soon as possible.

**13.4.2** Stores should maintain a Daily Receipt Register (DRR) centrally which should include all relevant information about the receipt of materials. A copy of the same can be retained as DRR.

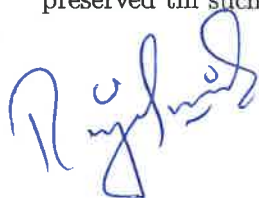
### 13.5 Payment to the Supplier

Purchase organization shall ensure that all the payments due to the firm including release of performance security are made on priority basis without delay.

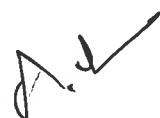
### 13.6 Closure of Purchase File & Record Retention Schedule

**13.6.1** On completion of all activities against a contract, the purchase file should be preserved in the record room and destroyed after expiry of the applicable mandatory retention period.

**13.6.2** For the above purpose, all records relating to purchases made out of both revenue as well as capital grant should be retained for a period as prescribed in the retention schedules of the Institute and thereafter they may be weeded out provided there is no vigilance or audit objections, in which case these should be preserved till such time the vigilance or audit objections are dropped.



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## Chapter 14

### Miscellaneous

#### 14.1 Buy-Back Purchases

**14.1.1** With the approval of the Director, an existing old item (s) may be replaced with a new and better version. The Institute may trade the existing old item while purchasing the new one. This method is known as buy-back purchasing.

**14.1.2** For this purpose, a suitable clause should be incorporated in the bidding documents so that the prospective and interested bidders formulate their bids accordingly. Depending upon the value and the 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 be 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.

**14.1.3** The buy-back price should be indicated separately by the bidder and once the purchase is completed, the original value of the item be written off from the record/ledger books of the respective labs of respective departments.

#### 14.2 Maintenance Contracts

**14.2.1** Depending on the cost and nature of the goods to be purchased, it may also be necessary to enter in to maintenance contract(s) for a suitable period either with the supplier of the goods/ manufacturer/ any other competent firm, not necessarily the supplier of the subject goods. Such maintenance contracts are especially needed for sophisticated and costly equipment and machinery.

**14.2.2** It may however be kept in mind that the equipment or machinery is maintained free of charge by the supplier during its warranty period or such other extended periods as the contract terms may provide and the paid maintenance should commence only thereafter.

**14.2.3** If the maintenance contract is to be entered into with the supplier of the goods, then suitable clauses for this purpose are to be incorporated in the tender document itself and while evaluating the offers, The AMC charges quoted by the bidder must be indicative and should not have any impact on deciding the L1. Total cost on purchase and maintenance of the equipment over its projected lifecycle should be assessed to consider its suitability for purchase.

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**14.2.4** If the maintenance contract is to be entered into with a competent and eligible supplier separately, then a separate tender enquiry is to be floated for this purpose and tenders evaluated and ranked accordingly for placement of maintenance contract.

**14.2.5** The details of the services required for maintenance of the goods, the required period of maintenance and other relevant terms & conditions including payment terms are to be incorporated in the tender document. The terms of payment for the maintenance service will depend on the nature of the goods to be maintained as well as the nature of the services desired. Generally, payment for maintenance is made on half-yearly or quarterly basis. In some cases advance payments against AMCs are to be considered (where unavoidable) by the competent authority.

**14.2.6** A suitable provision should be incorporated in the tender document and in the resultant maintenance contract indicating that the prices charged by the maintenance contractor should not exceed the prevailing rates charged by it from others for similar services. While claiming payment, the contractor is also to give a certificate to this effect in its bill.

**14.2.7** The tender document for maintenance contract must include a suitable provision to withdraw the maintenance contract due to any unforeseen reasons. However, while terminating the contract, if any payment is due to the contractor for maintenance services already performed in terms of the contract, the same should be paid to it as per the contract terms. Depending on the cost and nature of the goods to be maintained, suitable notice period for such cancellation to come into effect is to be provided in the documents.

**14.2.8** The Purchase Committee may decide on the merits of each case the necessity of entering into maintenance contracts on comprehensive basis or on call basis or on noncomprehensive basis.

### **14.3 Procedure for Purchase through credit card/debit card/online payment modes**

The following procedure will have to be followed for such purchases:

- (a) The offers should be downloaded from the web site of at least four firms and a certificate to the effect that the prices have been downloaded should be furnished by the Indenter.
- (b) The proposal will then be put up to the respective purchase committee and payment to the firm be made after the mode of payment is approved by the Purchase Committee.

### **14.4 Procedure for Vendor Registration**

There shall be the following categories of firms for the purpose of inviting quotations for purchase of materials / services / equipment / instruments etc.

**14.4.1 Local Firms:** Firms who are general suppliers having shops, manufacturing units, authorized agents / distributors of the manufacturers / service providers within India.



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**14.4.2 Indian Agents:** All Indian Agents of foreign suppliers will also be registered in the same manner as local firm.

The Institute shall register firm(s) for inviting quotations for supply of items including direct purchase / services / equipment / instruments etc. For obtaining such registration, firms shall be required to be registered with Sales Tax Office, should have Service Tax Registration, Tax Payer Identification No (TIN), GST and PAN No. Credentials including manufacturing capacity, quality control facilities, past performance, after-sales service, financial background etc. of the firm shall be carefully verified by the Institute.

The firm(s) will be registered for a fixed period, normally upto 3 years, depending on the nature of the supplies to be made by them. At the end of the period, the registered firms willing to continue with registration are required to apply afresh for renewal of registration as per procedure. New firm(s) may also be considered for registration at any time, provided they fulfil all the required conditions. Format of Registration of Firm is shown in Annexure-P.

## 14.5 Banning/Suspension of Vendors/Firms

Firm(s) who are considered to be habitual defaulters and cause harm to the institute may be suspended/banned by the Director of the Institute on the recommendation of the Head of the Department/Principal Investigator/In- charges for deficiency in service. Those firms must be given a chance to explain their position to the show cause notice issued by the Institute with a specified time frame. On receipt of the reply the case will be put up before the Director on recommendation of Head of the Departments/ Principal Investigator for decision. Director of the Institute shall be the final authority to decide the quantum of the period of suspension/ban depending on the magnitude of damage caused by the party. The information of such firms shall be widely circulated by the Stores & Purchase Section to all concerned.

## 14.6 Negotiation

Negotiation with bidders after opening of bid should be severely discouraged. However, in exceptional circumstances where price negotiation against an ad-hoc procurement is necessary due to some unavoidable circumstances, the same may be resorted to only with the lowest evaluated responsive bidder /single proprietary bidder, as per CVC guidelines, with the prior approval of Director.

## 14.7 Liquidated Damages (Late Delivery)

There should be a suitable provision in the terms & conditions of the contract for claiming liquidated damages of appropriate amount from the supplier to take care of delays in supplies and performance, for which the supplier is responsible. Such recovery through liquidated damages should be without prejudice to the other remedies to the purchaser under the terms of the contract.

A penalty clause for a penalty of 0.5% of the delivered price of the delayed goods for each week or part thereof subject to a maximum of 10% of the delivered price is to be incorporated in the contract terms and this will be deducted from the bill of the supplier for a purchase. However, the competent authority may relax the penalty clause under exceptional circumstances.

## 14.8 Procedure for Placement of Order

Normally the order should be placed on the lowest rates with the tenderers whose offer meets the requirement and the technical specifications as specified by the indenter mentioned in the tender enquiry. Offers which



do not meet the required specifications are to be rejected. In case an unknown/ unregistered firm submits quotation, they may be given a trial order with security deposit clause. The purchase order will invariably contain the following information (Annexure-Q):

- (a) Name and address of the supplier along with the fax numbers, website and email address.
- (b) Date by which stores are to be delivered and also if part supply is acceptable to the institute. No stores will be accepted after expiry of delivery date without a written order of the competent authority extending delivery date.
- (c) Consignee's name and address to whom the stores are to be dispatched by the supplier along with full postal and telegraphic email address.
- (d) Instructions regarding dispatch of stores by rail/road/air/post and parceling instructions.
- (e) Instructions regarding dispatch of documents.
- (f) Address of inspecting authority.
- (g) Officer deputed by the institute for inspection of stores and the place of inspection and the condition that acceptance or rejection of stores by the institute shall be final.
- (h) Terms of payment as also the mode of payment and if payment against part supply will be admissible.
- (i) Guarantee/ Warranty clauses.
- (j) Penalty clause in case of failure to supply stores.
- (k) Full specification of the stores ordered, quantity rate and amount will be mentioned and if these include taxes or these are to be paid separately.
- (l) Liability for insurance of goods in transit, and any other incidental charges, agents' commission, brokerage, etc.
- (m) The head of account against which the expenditure is to be booked (to be given in the copies of order for internal distribution).
- (n) Instructions on safe, efficient handling of Equipment, glassware, chemicals (preferred MSDS) etc.

## 14.9

All the stores shall be entered in the appropriate Stock Register of the concerned department. However, files of the stores procured through S&P section shall also need to be sent to the S&P Section through the HOD within three working days for entry in asset register (maintained by S&P section) and further processing. For the articles rejected, a rejection memo/ report shall be prepared and sent to the S&P through the HOD within 5 working days. The S&P Section will immediately take action and inform the supplier through fax/ email/ speed post with a copy to the concerned HOD/PI/PC/CI. The unacceptable stores will be subject to removal/ replacement at the risk, cost and responsibility of the supplier and related intimation may be sent to the seller by S&P Section within five working days.

**14.9.1** All stock entries including purchases made in various sponsored projects shall be signed by the concerned HOD/ Section Head as a rule. In case of purchase under projects, PI/PC/CI shall also countersign the stock entry in the register maintained for this purpose.

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**14.9.2** Where the Invoice/Bill of Lading/Railway Parcel Way Bill have been sent by the supplier through Bank, the S&P Section shall prepare an advance bill on receipt of the instruction from the bank and arrange to retire the documents within the shortest possible time.

**14.9.3** The S&P Section shall be responsible for clearance of all consignments at railway stations, sea, airport, and transport godowns and safe transportation and storage. Insurance of items may be done before dispatch either by seller or by the authorized clearing and forwarding agent appointed by the institute.

**14.9.4** In the event of any shortage/damage/wrong supply as informed by the store verification officer, prompt action will be initiated by S&P Section to rectify the same. In case the supplier fails to rectify the shortage/damage/wrong supply in a reasonable time, the matter shall be referred to the legal adviser to recover the full cost paid. S&P Section shall lodge Insurance claims, and pursue them vigorously to realize the sum insured.

**14.9.5** The Director may at his discretion permit deviations from any of the above provisions if he is satisfied that such deviation will be in the interest of the institute and that the insistence on the above provisions can cause inconvenience and delay.



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## Chapter 15

# Stores & Issue

### 15.1 General

**15.1.1** It is the responsibility of each store holding authority to make arrangements for safe and secure custody, handling, for keeping good and efficient condition and for protecting from loss, damages or deterioration, of all stores received by her/ him and under her/his custody. Proper accounts to be maintained by the store handling authority with a view to prevent losses through theft, accident, fraud or otherwise. Due diligence also should be made by the store-holding authority for frequent checks on the stores and verify the same as per the records.

**15.1.2** The work of a stores section of each department consists of the following:

- (a) Receipt and inspection of stores,
- (b) Storage, maintenance and issue of material,
- (c) Maintenance of ledgers and accounting of stores,
- (d) Recoupment of stocks, and
- (e) Disposal of surplus stores and/or unserviceable materials.

**15.1.3** The responsibility for custody of stores should be that of a staff member, who should be responsible for physical receipt, custody and issue of stores of his section. The stores should also be applied with preservatives where there is possibility of deterioration due to long storage.

**15.1.4** All transactions of receipts and issues of stores should be recorded strictly in accordance with the prescribed safety/storage/handling rules in the order of occurrence and as soon as they take place. There should be documentary authority in the form of issue voucher, challan, requisition, etc. for each and every transaction.

**15.1.5** Stores received should be accompanied with the challans in quadruplicate of the supplying firm. Original and duplicate copies will be returned to the firm after recording thereon, over the signature of the officer-in-charge as the acknowledgement of the receipt of the stores. Simultaneously necessary entries should be made in the Receipt Register/Stock Register and duly initialed. The endorsement "*Stores covered by the challan with the exception of received in good condition; entries made in the Stores Register/Stock Register as per page No. . .*" should then be made on the triplicate and quadruplicate copies of the challan under the dated signature of the officer-in-charge. The quadruplicate copy should be retained as the office copy of the store holding authority.

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The store holding authority shall intimate purchase section of the receipt/non-receipt of the stores by the prescribed date and in any case immediately on receipt of the stores.

## 15.2 Passing of Bills

15.2.1 Action with regard to passing of bills against supplies received should be taken expeditiously. Any payment not released within ten working days from the date of satisfactory receipt of material should be reported to Registrar/ Director with reasons by F&A section. Following time schedule should be strictly followed:

- (a) Verification & stock entry in the stock holding dept. - 3 working days
- (b) Stock taking in S&P Section - 3 working days
- (c) Release of payment by F&A section - 4 working days

15.2.2 An intimation slip should thereafter be sent to S&P by the indenting department.

15.2.3 A special point to be seen before passing a bill is that the triplicate copy of the challan does always contain the endorsement regarding the entry of stores in the prescribed register. It should also be seen that the supply was made by the stipulated delivery date or by the period as subsequently extended.

## 15.3 Deadstock

15.3.1 Every independent holder of the dead stock should maintain an "Inventory of Dead-stock" such as furniture, fixture, plants, glassware equipment and machinery. Only one item should be written on each page; each page should be numbered and each register will have an index showing contents arranged in alphabetical order with relevant page numbers. Pagination certificate should be signed by the officer-in-charge of the S&P Section.

15.3.2 As soon as an item of dead stock is received, it should be entered in the inventory of dead stock; simultaneously arrangement should be made to inscribe or otherwise affix a distinct number on every item, so as to facilitate its identification.

15.3.3 It should be remembered that the issue of any item of dead stock to individuals belonging to the same office/department will not reduce the stock balance and as such need not be exhibited in the Register of Dead Stock, but proper acknowledgement should be taken in respect of issues so made. Sub-registers/location registers may be maintained to indicate the issue.

## 15.4 Consumable Stores

Consumables stores are those which are used up completely or lose their separate identity as such in the course of particular operations for which they are meant, e.g., chemicals, paints, lubricant, wood, nails, screws, etc. The term also include those stores which are not ordinarily expected back after issue from stock, e.g. glass tumblers, bulbs, minor laboratory glass wares like test tubes etc. The definition is not however absolute. Each divisional head should prepare a list of consumable stores handled by his division/section.

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## 15.5 Consumable Stores Ledger

There shall be one ledger folio for each item of consumable stores. These folios should have a serial page number. On completion of a page, balance may be transferred to a new page; closing of new page and opening of a new page should bear the initials of the concerned stock holding authority. The ledger may have the following information.

All issues should be made on written requisitions and should be signed by an officer. Where the stores are collected by the representative of the indenting officer from the stores, he will bring an authorization letter from the indenting officer and sign the issue vouchers with a remark "received the above quantity issued in good order". These issue vouchers which are the authority for making entries on the issue side of the stores ledger, should be numbered serially, arranged chronologically and stitched suitably in bundles and retained with care.

## 15.6 Return of Stores

**15.6.1** All the stores which are not required by the consumer whether new, serviceable, second-hand, repairable or unserviceable should be returned on the return voucher (R/V) to the S&P Section wherefrom it has been issued on the return vouchers should be prepared for each class and for new, second-hand and unserviceable stores. This voucher should be prepared in 3 foils; first foil may be retained by the official returning the stores and 2nd and 3rd foils will be submitted to the S&P along with the items returned; the S&P Section should check the stores, arrange to post the ledgers and return one copy (3rd foil) duly acknowledged to the Returning Officer and 2nd foil should be retained by the S&P Section for its record. If there is a loss or deterioration in condition of stores due to reasons other than normal wear and tear, the reference of competent authority's sanction for write-off of loss should be given. A proper ledger entry for the same has to be made and the official returning the stores may reduce the balance from his ledgers after recording the Return Voucher number and date and reasons for the return.

**15.6.2** The Return Vouchers should be serially numbered and stitched together at periodical intervals and preserved with care.

**15.6.3** A red line should be drawn across the pages of the stores ledger after the last entry for a particular financial year has been made. A little gap also should be left below this line before making entries pertaining to the next year.

## 15.7 Stores other than Dead Stock and Consumable Stores

**15.7.1** This category of stores mainly comprises of those articles which are ordinarily meant to be issued on loan to officers and staff for the due performance of their duties and are as such returnable on fulfilment of the purpose for which they were taken or on the expiry of certain prescribed period.

**15.7.2** While posting issues in the Stores Ledger, simultaneous entries should be made in the Register of Loans of Stores. A number of consecutive pages should be set apart for each person to whom stores are issued. Receipts should be posted exactly against corresponding issues. Un-squared issues would thus show the stores outstanding against a particular individual on any date.

**15.7.3** The Register of Loan of Stores should be reviewed in the first week of June each year and lists prepared there from showing the stores outstanding against each individual. The lists should thereafter be forwarded to the respective persons with the request to acknowledge their correctness. Discrepancies if any

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pointed out should be regularized. The process of forwarding lists should be completed by the 30th June of every year.

**15.7.4 Issue for repairs/fabrication / printing:** Issues made to private parties for repair or for fabrication or printing etc. for embodiment /incorporation of certain modifications in the original equipment or samples given to guide fabrication will all be made only against suitable security deposit safeguarding the interest of IIPe Visakhapatnam. While asking for the expenditure sanction in these cases, the approval for issue of these should also be taken. The items will be issued on regular issue voucher with the words 'on loan' and will be entered in the Loan of Stores Register.

**15.7.5** Each capital equipment shall be carrying a running log book and "Repairs and Maintenance Log Book" and it is the responsibility of the officer in whose custody the capital equipment exists to maintain the log books properly and maintain them neatly and safety.

**15.7.6** In case of vehicles, the Workshop Superintendent or any official of the institute attached to transport section will be responsible for the registration of vehicle as also for the renewal of certificates of fitness. Spare parts and accessories may be consumable or non-consumable depending on their nature and the specific cases to which they are put. All spare parts and accessories shall be accounted for in the general ledgers of the Transport Section of the Institute.

## 15.8 Empties

Wooden boxes, tins and other containers received along with stores should be preserved and disposed of at convenient intervals. Accounting of empties should be kept in the same general ledger as for other stores. As soon as a box is unpacked and the stores therein are taken out the empties should be released and taken into stock.

## 15.9 Responsibility for correct accounting

It is the primary responsibility of all stock holding officers to see that the ledgers under their charge are posted up to date in every respect and all receipt and issues are posted immediately in such ledgers and no undue delay is allowed to take place in such postings. It is the responsibility of every departmental Head to see that the consumption of stores in his department is normal and fully justified. The mileage covered by vehicles during the month and the fuel consumed by each vehicle should be watched so that the average is within reasonable limit and prompt action is taken for unduly high average.

## 15.10 Physical Verification and Regularization of Discrepancies

**15.10.1** The objective of verification of stores is to ensure that the materials accord with the description and specification shown in the stores (NCS/CS) ledgers, that actual balances of such stocks agree with the balances appearing in the books and that excess or deficiencies if any noticed on such verification or properly investigated and accounted for.

**15.10.2** Verification should always be conducted in the presence of the officer responsible for the custody of the stores or a responsible person deputed by him.

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**15.10.3** Each verification team should consist of two or three officers depending on the volume and nature of stores to be verified. The officer attached to the team will be known as verifier and in-charge of the team or senior most official will be called Physical Verification Officer. It is essential that the annual physical verification is completed by the 31st July of every year. Physical verification should not be entrusted to a person who is the store holding authority. A notification in this regard by S&P Section should be communicated to various store-holding authorities.

**15.10.4** The stock-verifier will first verify the physical balance without knowing the ledger balance; the ledger balance will then be noted and then discrepancies may be brought out. The stock-verifier should personally count, weigh or measure all items of store he proposes to verify with the assistance of peons where necessary. The stock-verifier will see that nothing is left unverified.

**15.10.5** The Physical verification officer should prepare the stock verification sheets in quadruplicate for all items of stores in which any discrepancy has been noticed with regard to shortage, excess, reclassification, etc. If the discrepancy is minor due to wrong description/posting etc. it should be rectified without preparing a stock sheet. The concerned persons handling physical stores may be given reasonable time to locate the reasons for discrepancy. The stock verification sheets should be prepared from the data collected and signature of the person handling the stores (in that particular department/section) be obtained on all the copies of the verification sheet. Verification results should also be recorded in respective ledgers.

**15.10.6** Posting of verification results in the ledgers after the actual stock figures of an item of stores have been ascertained and accepted by the store-keeper should be done in the following manner:

- (a) If there is no difference in the ground balance and the ledger balance, the remarks "stock verified and found correct" will be written in black or blue ink on the ledger under the date of verification and initialled by the stock verifier.
- (b) If the difference be an excess i.e. the actual stock figures are greater than the book balance, stock verification sheet should show the excess quantity and posted in the ledger as excess in stock. The excess quantity will be recorded in the receipt column and the balance struck by adding the excess to the book balance. The date of posting will be recorded in the column for date, "excess in stock" will be written in "Received from" column and the Stock Verification Sheet number will be recorded in the column "voucher no". The entry should be initialed by the Physical Verification Officer.
- (c) The same procedure will be adopted by recording the shortages except that in column No.2 of the register will be written by "Shortage in stores stock" and the quantity short will be shown in red ink on the Receipt side.

**15.10.7** While the excesses will be shown with blue or black ink, the shortages shall be recorded with red ink. The Physical verification officer should ensure that all the registers/ledgers etc. are properly maintained and there is no undue delay in the accounting/disposal of stores. The Physical Verification Officer should also bring out in his/her report all damages or deterioration of the items in stock. The physical verification team shall prepare a list of stores in which there is no issue for the last two years. These lists shall be given to the stock holding authority with the report, and these lists after careful scrutiny by the concerned departmental heads are to be put up to the S&P Section with appropriate recommendations whether the stores may be retained or disposed of.

**15.10.8** A certificate for verification of stores with its results shall be recorded in the stock ledgers under the dated signature of the Physical Verification Officer.

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**15.10.9** If at any time, certain unaccounted material has to be taken into stock books, it shall be so done through the same form as that of the stock verification sheet.

**15.10.10** The Workshop Superintendent or any other designated official of the institute, who is the store holding authority for vehicles, should obtain in the first week of April every year a certificate in the following form from each officer to whom any vehicle has been allotted.

Certified that vehicle No. \_\_\_\_\_ Registration No. \_\_\_\_\_ is/was under my charge on the 31st March, 20\_\_\_\_. The vehicle is serviceable/repairable/unserviceable.

Station:

Signature:

Date:

Designation:

**15.10.11** The fact that the necessary certificate has been obtained from the concerned authority should be recorded in the remarks column of the stock register of vehicles.

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## Chapter 16

# Write off, Condemnation and Disposal

### 16.1 Concept

An item may be declared surplus or obsolete or unserviceable, if the same is of no use to the institute or when the item is beyond economical repair. An item may be rendered surplus, obsolete or unserviceable in the process of upgrading or replacing institute property or when institute property or equipment no longer serves a functional use due to program, procedure or other changes. Under such circumstances the property and equipment may be disposed of in the best interest of the institute as per the following guidelines with prior approval of the Director.

- (a) Wherever possible, the stores/equipment is traded under buy back scheme, so as to reduce the cost impact on the new stores/ equipment.
- (b) If the above option is not available, the property and equipment may be sold out-rightly with due procedures.
- (c) Obsolete, unusable materials beyond economic repair may be disposed-off as per procedure.

This chapter outlines the procedure for write off and disposal of unserviceable materials purchased by department / sections and purchases in projects etc.

### 16.2 General Procedure for writing off the unserviceable Materials/Items

**16.2.1** The items to be declared obsolete /surplus/ unserviceable should be examined by a survey committee. The survey committee will normally consist of three officers/faculty and will be duly approved by the Director. The chairman will normally be of the division/section to which the stores pertain. The store holding officer will be one of the three members of the survey committee. The stock holding authority shall prepare the forms for survey committee reports for the material which is to be put up to the survey committee for survey. The forms of survey committee report for the stores which do not belong to NCS category, have to be prepared.

**16.2.2** The survey committee should inspect critically the condition of all the stores:

- (a) that have deteriorated in value for any reason,
- (b) broken or damaged in transit or while in stock,
- (c) lying in the custody of various stock-holding authorities for a long time and considered by the respective stock-holding authority as having become surplus owing to obsolescence or other causes, received as unserviceable from the fields/camps

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Here the "life period" has been prescribed on any item and if the same is already over, it should normally be taken as enough ground for declaring the item obsolete and unserviceable. However, the condition of the item should still be thoroughly examined to see whether the item could be put to further use.

**16.2.3** In other cases, where the life period is not over or no life period has been prescribed or stipulated, the reason for declaring the item unserviceable should be clearly recorded such as, may be normal wear and tear, excessive use in public interest, accidental fire, flood and other natural causes, damage due to insect, rats etc.

**16.2.4** In case of NCS items, the survey committee should examine all records in addition to the inspection of the physical stores with the existing condition. In this case, the committee may also call for a technical report of 'Beyond Economical Repairs' from the concerned HOD, if it is so desired.

**16.2.5** An item may be declared obsolete / surplus if it is no longer required by the departments. Reasons for the same should be recorded. In case of loss due to negligence fraud or mischief on the part of any employee/student/faculty, responsibility should be fixed and losses should be made good with proper record of the damage.

**16.2.6** The survey committee should determine after such inspection and offer their recommendations on the following:

- (a) the condition of the stores, whether these are unserviceable or dead surplus stores;
- (b) the method of disposal, i.e. by sale through auction/tender or by issue to particular user of a particular division/section etc.

**16.2.7** The function of the survey committee shall be only inspecting the physical condition of the stores and then record their observations. The report so prepared shall be submitted to the Chairman, Central Write-off/ Condemnation Committee for further necessary action.

**16.2.8** The report of the above-mentioned survey committee shall be submitted to a duly constituted central write-off/condemnation committee which will be constituted by the Director, IPE.

**16.2.9** The function of central write-off/condemnation committee shall be thoroughly examining the report submitted by the survey committee and verifying the physical condition of the identified stores. The committee shall then record their recommendations either to accept or to reject the write-off/condemnation of those identified stores along with the method of disposal if any. This committee shall also fix the reserve price of the identified stores. All these recommendations so prepared shall be submitted to the Director, IPE for his approval. The reserve price, as suggested by the committee shall be kept in sealed cover and will be opened while finalizing the auction/tender.

### 16.3 Disposal of Surplus and Obsolete Stores

**16.3.1** List of surplus stores, i.e. stores which have not moved for over 24 months consumption in the department should be prepared by the Physical Verification Team every year class-wise. This list should be put to the respective Divisional Head for his remarks as to whether there is any possibility of issue of the stores in the near future or whether the concerned stores are to be treated as "Dead Surplus" or "Obsolete". The items which are recommended as dead surplus or obsolete should be listed out and presented to the survey committee and their survey be arranged by the store holding authority. In such cases, the stores

*Rajesh*

*M. Ravi Kiran*

*Rajesh*

*Ad*



shall be transferred to the unserviceable stores section only after the approval of the competent authority for write-off has been obtained. The unserviceable stores section shall arrange their disposal.

**16.3.2** The stores need to be disposed preferably through MSTC Ltd. or any other disposable agencies will continue to be under the custody of the concerned store holding authority until they are disposed of. It should be ensured that proper protection is given to these stores till their removal by the purchaser and that the time lag between the declaration and the actual disposal is required to be the minimum.

**16.3.3** The sale-proceeds from disposal arranged by preferably by MSTC Ltd. or any other disposable agencies will be credited to IIPE Visakhapatnam and accounted for in the books of Registrar, IIPE Visakhapatnam.

## 16.4 Direct Disposal

**16.4.1** Direct disposal may be resorted to when the quantity to be disposed of through MSTC Ltd. is too meagre and considered quite uneconomical to go through them. All disposals, irrespective of the value of the stores involved should be effected through public auction. Notice to sell stores by auction should be widely advertised so as to attract as large a number of likely buyers as possible. The conditions of sale by auction should be embodied in the sale notice itself, which should be issued to a sufficient large number of local parties; the notice should also be displayed prominently on the Notice Board of each building of the office as well as hosted in the IIPE website. The auction should be supervised by a committee approved by the Director, IIPE.

**16.4.2** The stores may be grouped into suitable lots; the highest bid against each lot should be accepted subject to payment of earnest money of not less than 25% of the total bid amount accepted, unless of course, the entire amount is paid and the release of stores desired immediately after the auction.

**16.4.3** The earnest money should be handed over to the cashier who should furnish proper receipt duly signed for delivery to the party on the spot. Balance 75% may be paid at the discretion of the party either in cash or by deposit into authorized bank. The party should be asked to surrender the receipt given to him in acknowledgement of 25% earnest money and bank challan for balance of 75% before the stores can be released. On receipt of the same sale release order should be drawn up by the store holding authority in triplicate. One copy should be retained in his office, one copy should be sent to party and the third should be sent to the Unserviceable store depot with their copy of the release order which will be surrendered by the party to the depot officer with their note on that copy. The Depot shall issue the stores on Sales Issue Note. The Sale Issue Note will be prepared in triplicate; one copy may be given to the party along with the stores which will form the basis for making the gate-pass and checking the stores at the gate. Acknowledgement of the party to be taken in 2 copies of which one will be kept by the Store Keeper and the other passed on to Stores Section for posting in the ledger.

**16.4.4** In case the buyer, for some reason or other refuses to take delivery of part of the stores for which payment has been made, the store holding authority should not refuse permission to remove the portion of the lot which the buyer wants to remove. The store holding authority at the same time should serve on the buyer in writing his/her protest against the buyer's refusal to remove the rest of the goods sold and warn him that the stores left out will be forfeited in accordance with the conditions of the sale.

**16.4.5** After the stores have been delivered, the ledger of unserviceable stores shall be posted with the copy of the sale issue note. Record of such Sale Issue Notes should be maintained and watch to be kept that there is no missing serial number.

*Ranjith*

M. Ravi Kiran

*for*



**16.4.6** The copies of the final proceeding of the disposal of surplus/ obsolete/ unserviceable and direct disposal with the details of money being received there to should be sent to the F&A section for making necessary entries in the books of accounts and the Asset Register.

## 16.5 Miscellaneous

**16.5.1** It has been observed that very negligible value is quoted for items like computers, printers, type-writers and furniture etc. It will be, therefore, appropriate, if the preference is given to institute employees while selling off the above items after taking approval from the Director.

**16.5.2** The institute shall reserve the right to reject all or any tender without assigning any reason. The decision of the Director in this behalf and all other matters relating to the disposal shall be final and binding.

**16.5.3** Cases not covered by the Stores & Purchase manual will be decided by the Director in the interest of Institute.

## 16.6 Operation of Procedure

- (a) The operation of the above procedure shall be in super-session of all existing rules and instructions.
- (b) In respect of areas, which are not covered in the above procedure or in the case of any doubt on the interpretation of this procedure, matter can be referred to the Director for final decision.
- (c) The Director, IIPE may relax any of the provisions outlined in this procedure.
- (d) The procedure may be reviewed at suitable intervals for further modifications.
- (e) All electronic records like e-mails etc. as per IT act are valid and may be accepted.
- (f) In case of any lapses of the purchase procedure of the Indian Institute of Petroleum and Energy, Visakhapatnam Purchase Manual-2022, the Institute may adopt the Govt. of India General Financial Rules, 2017 (as amended time to time).

*R. Jeyaraj*

*H. Ravi Kiran*

*Rajendra*

*A. A.*



## Chapter 17

# Abbreviations & Definitions

### 17.1 Abbreviations

- i) AR – Assistant Registrar
- ii) F&A Section – Finance & Accounts Section
- iii) BoG – Board of Governors
- iv) CA – Competent Authority
- v) CI – Consultant In-charge
- vi) CS – Consumable Stores
- vii) CFA – Competent Financial Authority
- viii) CPPP - Central Public Procurement Portal
- ix) DPC - Department Purchase Committee
- x) DOFP – Delegation of Financial Powers
- xi) DORD – Dean (R&D)
- xii) DR - Deputy Registrar
- xiii) EMD – Earnest Money Deposit
- xiv) FC – Financial Concurrence
- xv) JEE – Joint Entrance Examination
- xvi) GeM – Government e-Marketplace
- xvii) GFR – General Financial Rules
- xviii) HOD – Head of the Department
- xix) IA – Internal Audit
- xx) IPC – Institute Purchase Committee
- xxi) IR – Inspection Report



- xxii) LPC – Local Purchase Committee
- xxiii) NCS – Non-Consumable Stores
- xxiv) S&P - Stores & Purchase
- xxv) PS – Performance Security
- xxvi) PC – Project Coordinator
- xxvii) PI- Principal Investigator
- xxviii) PPF – Purchase Proposal Form (Indent Form)
- xxix) PSO – Purchase & Stores Officer (DR/AR)
- xxx) R&D – Research and Development Office
- xxxi) RC – Rate Contract

## 17.2 Definitions

**17.2.1 Approved format** At different places in this document reference is made to approve formats. All such formats shall be approved by the Director from time to time. The approved formats, as at present, are enclosed in Appendices.

**17.2.2 Consultant In-charge** An employee or any person authorized by the competent authority of the institute whose name is recorded as a Consultant In-charge in the records pertaining to the consultancy project in the office of Dean (R&D).

**17.2.3 Competent Authority** The financial limits up to which the concerned person has the authority to approve purchases within the allocated budget of the department/ project/ financial area as specified in Delegation of Financial Powers of the Institute.

**17.2.4 Department** Department shall imply Department/Inter-Disciplinary Program/Centre/Central Facility/Section or any entity in the Institute which has a separately allocated budget.

**17.2.5 Indenter/ Purchaser** The individual who initiates and signs the purchase proposal (Indent) form shall be referred to as an indenter.

**17.2.6 Project** Project shall mean and include any sponsored research, consultancy project or any other activity which has a valid project number, given by the R&D office of the Institute.

**17.2.7 Principal Investigator/Project Coordinator** An employee or any person authorized by the competent authority of the institute whose name is recorded as a Principal Investigator/ Project Coordinator in the records pertaining to the project in the R&D office.

**17.2.8 Seller** A seller refers to the company/vendor/dealer/agent/ individual party from whom the institute may potentially buy goods or services.

M. Ravi Kiran





**17.2.9 Temporary Contingent Advance** It is an advance which can be taken to meet contingent expenses on NCS/LTAS/CS/Miscellaneous items. This should normally be taken from the appropriate budget head.

### 17.3 Classification of Stores

	Non-Consumable Stores (NCS)	Consumable Stores (CS)
<b>Types</b>	<ul style="list-style-type: none"> <li>(a) Stores which are intended to be used over prolonged periods before becoming unusable/ unserviceable/beyond economic repair or obsolete,</li> <li>(b) Stores having a significant disposal value,</li> <li>(c) Stores which are sub-systems or parts of an equipment, which can be potentially repaired and reused, and</li> <li>(d) Stores which are either fabricated or assembled equipment, or which if bought as a single item would have been classified as Non-Consumable Stores.</li> <li>(e) Stores which have significant value when purchased but rapidly lose their value/relevance with the lapse of time and have very little or negligible disposal value, and/or</li> <li>(f) Stores which can be upgraded either by replacing components/parts or which can be rendered obsolete by the release of new versions or editions.</li> </ul>	<ul style="list-style-type: none"> <li>(a) Stores which exhaust with lapse of time,</li> <li>(b) Stores which are rendered unusable due to normal wear and tear,</li> <li>(c) Stores which do not have significant disposal value, and</li> <li>(d) Spares of equipment which do not fall either in the NCS category.</li> </ul>
<b>Stock Entry</b>	Asset Register of the institute and the NCS Stock Register of the appropriate department	CS Stock Register of the appropriate department. For projects, the CS shall be entered in the CS Stock Register for the project

*Rajiv*

*M. Ravi Kiran*

*Rajiv*



*[Signature]*

# ANNEXURES



भारतीय पेट्रोलियम और ऊर्जा संस्थान  
INDIAN INSTITUTE OF PETROLEUM AND ENERGY

Annexure-A

**INDENT FOR PURCHASE OF EQUIPMENT/CONSUMABLE**

DEPARTMENT/ SECTION:

Indent No.:

Budget Head:

Name of Indenter:

Designation:

Name of HOD:

Designation:

The following items may kindly be procured (Separate items to be indented for each category)

Sl.No.	Item with detailed specifications*	Quantity	Estimated Cost **

\* No specific make/brand of any particular manufacturer/firm should be mentioned in the indent. No separate sheet to be attached for technical specifications. All the specifications should be mentioned in the space provided; the columns may be expanded if required. For proprietary stores, requisite Proprietary Article Certificate (PAC) to be attached.

\*\* Estimated cost exclusive of all applicable taxes & charges. It is to be preferably supported by quotation.

1	Installation/Commissioning of the item shall be doneby: Indenter/Supplier/Manufacturer/Indian Representative or Authorized agent/ dealer: (please mention the appropriate one)	:	
2	Delivery Period: (in No. of days/weeks/months)	:	
3	Installation requirements like area, power, civil works etc. are ready: (Yes/No)	:	
4	If No, expected time by which requirements will be completed	:	
5	List of available vendors with complete contact details like Address Email/Website: (Please give the vendors of known reputation and reliability with PastExperience (if any))	:	1..... 2..... 3..... 4..... 5.....
6	Inspection Schedule for the item:	:	
7	Whether Training required: (Yes/No)If yes, give justification/reasons:	:	
8	The Approximate period required for the Equipmentto become operational from the date of its arrival	:	
9	Emergency Purchase Certificate (if any)	:	

*[Signature]*

M. Ravi Kiran

*[Signature]*



10	Details of Warranty		
11	AMC/ CMC required for (post warranty period)		

It is certified that:-

- (i) The specifications of the equipment laid down in the indent are broad based & do not have any restrictive parameters to suit a particular bidder, excluding for PAC purchase;
- (ii) Description and technical specification and quantity are in conformity with the guidelines in this regard in the Procurement Manual for goods;
- (iii) The quantity indented does not exceed any sales, consumption or usage limits of requirements, if any laid down by Competent Authority

**Signature of Indenter** \_\_\_\_\_

**Signature of HoD** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Certificate**

It is certified that the stock is not available in the stores.

**Signature Indenter**

**For use by Accounts**

1. Verified that the indented item is in the list of items sanctioned by competent authority under Budget Head \_\_\_\_\_ & the same has been noted in Accounts.
2. Necessary funds are available to process this item.

Nature of item (consumable/non- consumable)	Budget allocated	Total amount of indents (duly revised) including the present	Balance Available

**Dealing Assistant/ Accountant**

**Signature of FO/ DR/ Registrar**

**Mode of Tendering**

The proposal is to be processed through Limited Tender Enquiry/ Open Tender/Global Tender/ Single Tender Enquiry/ DGS&D/ AnnualRate Contract/ Proprietary Article Certificate/ Local Purchase.

**Dealing Assistant**

**Signature of AR/DR/Registrar**

*[Signature]*  
M. Ravi Kiran



*[Signature]*

*[Signature]*



भारतीय पेट्रोलियम और ऊर्जा संस्थान

Annexure - B

**INDIAN INSTITUTE OF PETROLEUM AND ENERGY**

**PURCHASE OF GOODS WITHOUT QUOTATIONS**  
(For purchase of goods upto the value of Rs. 25,000/-)

Following item(s) has/ have been procured as per the details furnished below:

Name of the Item : \_\_\_\_\_

Unit Price : \_\_\_\_\_ (in Rupees \_\_\_\_\_)

Taxes / Duties : \_\_\_\_\_ (in Rupees \_\_\_\_\_)

Total Unit Price : \_\_\_\_\_ (in Rupees \_\_\_\_\_)

Quantity : \_\_\_\_\_

Total Cost : \_\_\_\_\_ (Qty. x Total Unit Price)

Source of Supply : M/s \_\_\_\_\_

Source of Fund : Institute: (Budget Head) \_\_\_\_\_

(√ any one) Projects : (Project No.) \_\_\_\_\_

The undersigned is personally satisfied that these goods purchased are of the requisite quality and specification and have been purchased from a reliable supplier at reasonable price.

Signature : \_\_\_\_\_

Name : \_\_\_\_\_

Department : \_\_\_\_\_

Sanctioned : Rs. \_\_\_\_\_ From \_\_\_\_\_



**Sanctioning Authority**

Indenter

Signature:

Head of the Department/  
Principal Investigator

*[Handwritten signature]*

M. Ravi Kiran

*[Handwritten signature]*

*[Handwritten signature]*





भारतीय पेट्रोलियम और ऊर्जा संस्थान

Annexure - C

**INDIAN INSTITUTE OF PETROLEUM AND ENERGY**

**PURCHASE OF GOODS BY THREE MEMBER COMMITTEE**  
**(For purchase of goods upto the value of Rs. 2,50,000/-)**

"Certified that we the undersigned, members of the purchase committee are jointly and individually satisfied that these 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 and is not debarred by Department of Commerce or Ministry/ Department concerned":

Name of the Item : \_\_\_\_\_

Unit Price : \_\_\_\_\_ (in Rupees \_\_\_\_\_)

Taxes / Duties : \_\_\_\_\_ (in Rupees \_\_\_\_\_)

Total Unit Price : \_\_\_\_\_ (in Rupees \_\_\_\_\_)

Quantity : \_\_\_\_\_

Total Cost : \_\_\_\_\_ (Qty. x Total Unit Price)

Source of Supply : M/s \_\_\_\_\_

Signature:                      Indenter                                      Member                                      Member

Name:

Desig.:

Dept. :

Date:

**Approved**

Head of the Department  
Signature \_\_\_\_\_

Name :

Desig:

*P. J. Singh*  
*M. Ravi Kiran*



*Rajesh*

*[Signature]*



**भारतीय पेट्रोलियम और ऊर्जा संस्थान**  
**INDIAN INSTITUTE OF PETROLEUM AND ENERGY**

Annexure - D

**PROPRIETARY ARTICLE CERTIFICATE (PAC)**  
**(To be submitted by the indenter along with the indent)**

Certified that to the best of our knowledge, the items indented vide indent No ..... dated..... are manufactured by M/s..... only.

1. This/These item(s) have unique features which is essential for the Laboratory/ Teaching/ Researchwork.
2. No other make or model is acceptable for the following reasons:-

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Signature of Indenter /  
/Principal Investigator

Designation:

Department:

Date :

**Head of the Department/  
Members of DPC/PPC/IPC**

*R. J. Singh*

M. Ravi Kiran

*P. Jayashankar*



*A. D.*



भारतीय पेट्रोलियम और ऊर्जा संस्थान

Annexure - E

INDIAN INSTITUTE OF PETROLEUM AND ENERGY

**EMERGENCY PURCHASE CERTIFICATE**

**(For purchase of goods upto the value of Rs. 25,00,000/-)**

"Certified that we, members of the Purchase Committee are jointly and individually satisfied that the goods purchased are of the requisite specification and quality, and have been purchased from a reliable supplier at a reasonable price":

Name of the Item : \_\_\_\_\_

Unit Price : \_\_\_\_\_ (in Rupees \_\_\_\_\_)

Taxes / Duties : \_\_\_\_\_ (in Rupees \_\_\_\_\_)

Total Unit Price : \_\_\_\_\_ (in Rupees \_\_\_\_\_)

Quantity : \_\_\_\_\_

Total Cost : \_\_\_\_\_ (Qty. x Total Unit Price)

Source of Supply : M/s \_\_\_\_\_

Indenter:

Committee members (IPC/DPC/PPC):

Date:

**Approved by**

Director, IIPE



*[Signature]*

M. Ravi Kiran

*[Signature]*

*[Signature]*



**भारतीय पेट्रोलियम और ऊर्जा संस्थान**  
**INDIAN INSTITUTE OF PETROLEUM AND ENERGY**

**Annexure - F**

**Proposal for GTE of \_\_\_\_\_ (Name of item)**

Details of proposed procurement for approval of Secretary/ HE for invitation of Global Tender Enquiry for procurement of goods with expected value less than Rs.200 crore.

S. No.	Particulars	Remarks
1	Detailed Description of the item	
2	Use of the Item	
3	Whether item is procured regularly? If so, details of procurement of the said item over the past three years (Three completed financial years and the current financial year) inclusive of supply details as per format at Annexure-A	
4	Quantity required to be procured with justification for the quantity (State/UT/Region wise projection, if applicable)	
5	Estimated procurement price along with basis for such estimation (International Price, comparison chart)	
6	Justification to be submitted as under	
	A Detailed justification for Global Tender and essentiality of Import (Item wise)	
	B Who are the (possible) vendors of the item under procurement, in the global (including India) market?	
7	1 Whether the Institute has tried and floated the tender to identify the domestic suppliers in the past financial year. (If not, the reason thereof)	
	2 Capacity of all domestic local suppliers as per the domestic tender floated, if any	
8	What are technical alternatives available within country and whether they can be used?	
9	Whether the Institute had in the past attempted at development of local suppliers/phased indigenization/promotion of alternative technology having sufficient local suppliers. (If so, details thereof)	
10	Consequences of non-procurement of the item through GTE.	
11	Whether BIS standards are available for the items proposed under procurement. If not, the efforts made to operationalize such standards	

*[Signature]*

M. Ravi Kiran

*[Signature]*



*[Signature]*

c/22

It is certified that (strike off whatever is not applicable)

- (i) this is a specialized equipment required for research purposes and/ or spares and consumables for such equipment
- (ii) the above equipment/ consumables is not available through (GeM) and other sources
- (iii) the locally available alternatives with equivalent specifications are not suitable for research purposes
- (iv) it is neither available in this institute nor in any nearby institution
- (v) it is a propriety item of foreign origin

Signature

Name

Signature

Name

(Name & Signature with Seal)  
Indenter / PI

(Name & Signature with Seal)  
Head of the Department

Signature

Name

Signature

Name

(Name & Signature with Seal)  
Dean/ R&D

(Name & Signature with Seal)  
Head of the Institution



M. Ravi Kiran











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**INDIAN INSTITUTE OF PETROLEUM AND ENERGY**

**Proposal for GTE of \_\_\_\_\_ (Name of item)**

Details of procurement of the said item over the past three years (Three completed financial years and the current financial year) inclusive of supply details.

Year of contract	Item	Contract no. & date	Supplier	Quantity of supply with unit	Rate per unit	Completion date of contract	Country of origin of goods	Local content in %

Signature

Name

Signature

Name

(Name & Signature with Seal)  
Indenter / PI

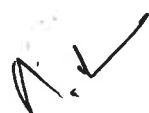
(Name & Signature with Seal)  
Head of the Department

  
M. Ravi Kiran  


Signature

Name

(Name & Signature with Seal)  
Dean/R&D





c/20



भारतीय पेट्रोलियम और ऊर्जा संस्थान  
INDIAN INSTITUTE OF PETROLEUM AND ENERGY

Annexure - G

**SINGLE TENDER CERTIFICATE**  
**(For procurement from a single source basis only during emergency)**

The items indented are necessarily to be purchased from  
M/s.....for the following reasons:

.....

(Signature with date and designation  
of the Indenting Officer/Lab In-  
Charge/Principal Investigator)

Date :

Recommended by

Head of the Department

M. Ravi Kiran



**MANUFACTURER'S AUTHORIZATION FORM**

***[The Bidder shall require the Manufacturer to fill in this Form in accordance with the instructions indicated. This letter of authorization should be on the letterhead of the Manufacturer and should be signed by a person with the proper authority to sign documents that Are binding on the Manufacturer]***

Date: [Insert date (as Day, month and year) of Bid submission]

Tender No.: [Insert number from Invitation for Bids]

To: [Insert complete name and address of Purchaser]

**WHEREAS**

We [insert complete name of Manufacturer], who are official manufacturers of [Insert type of goods manufactured] having factories at [insert full address of Manufacturer's factories], do hereby authorize [insert complete name of Bidder] to submit a bid the purpose of which is to provide the following goods, manufactured by us [insert name and or brief description of the goods], and to subsequently negotiate and sign the contract.

We hereby extend our full guarantee and complete comprehensive warranty in accordance with the Terms and Conditions of Contract with respect to the Goods offered by the above firm for the complete warranty period.

Signed: [insert signature(s) of authorized representative(s) of the Manufacturer]

Name: [insert complete name(s) of authorized representative(s) of the Manufacturer]

Title: [insert title]

Duly authorized to sign this Authorization on behalf of: [insert complete name of Bidder]

Dated on \_\_\_\_\_ day of \_\_\_\_\_ [insert date of sign in]

  
M. Ravi Kiran  






(To be printed on Supplier's letterhead)

## INTEGRITY PACT

### General

This pre-bid pre-contract Agreement hereinafter called the Integrity Pact is made on..... day of the month of ..... , between, on one hand, the President of India acting through Registrar, Indian Institute of Petroleum and Energy, Visakhapatnam hereinafter called the "BUYER" of the first part and M/s..... represented by Shri ....., Director/ Chief Executive Officer/ General Manager hereinafter called the "BIDDER/Seller" of the second part.

WHEREAS the BUYER proposes to procure ..... (Name of the Stores/Equipment/Item) and the BIDDER/Seller is willing to offer/has offered the stores and WHEREAS the BIDDER is a private company/ public company/ Government undertaking/ partnership/ registered export agency, constituted in accordance with the relevant law in the matter and the BUYER is an Autonomous Body/ Department of the Government of India performing its functions on behalf of the President of India.

NOW, THEREFORE, to avoid all forms of corruption by following a system that is fair, transparent and free from any influence/ prejudiced dealings prior to, during and subsequent to the currency of the contract to be entered into with a view to enabling the BUYER to obtain the desired said stores / equipment at a competitive price in conformity with the defined specifications by avoiding the high cost and the distortionary impact of corruption on public procurement, and Enabling BIDDERS to abstain from bribing or indulging in any corrupt practice in order to secure the contract by providing assurance to them that their competitors will also abstain from bribing and other corrupt practices and the BUYER will commit to prevent corruption, in any form, by its officials by following transparent procedures.

The parties hereto hereby agree to enter into this Integrity Pact and agree as follows:

### 1. Commitments of the BUYER

1.1 The BUYER undertakes that no official of the BUYER, connected directly or indirectly with the contract, will demand, take a promise for or accept, directly or through intermediaries, any bribe, consideration, gift, reward, favour or any material or immaterial benefit or any other advantage from the BIDDER, either for themselves or for any person, organization or third party related to the contract in exchange for an advantage in the bidding process, bid evaluation, contracting or implementation process related to the Contract.

1.2 The BUYER will, during the pre-contract stage, treat all BIDDERS alike, and will provide to all BIDDERS the same information and will not provide any such information to any particular BIDDER which could afford an advantage to that particular BIDDER in comparison to other BIDDERS.

1.3 All the officials of the Buyer will report to the appropriate Government office any attempted or completed breaches of the above commitments as well as any substantial suspicion of such a breach.

1.4 In case any such preceding misconduct on the part of such official (s) is reported by the BIDDER to the BUYER, with full and verifiable facts and the same is prima facie found to be correct by the BUYER, necessary disciplinary proceedings, or any other action as deemed fit, including criminal

*[Signature]*

M. Ravi Kiran

*[Signature]*

*[Signature]*



proceedings may be initiated by the BUYER and such a person shall be debarred from further dealings related to the contract process. In such a case while an enquiry is being conducted by the BUYER the proceedings under the contract would not be stalled.

## 2. **Commitments of BIDDERS:**

2.1 The BIDDER commits her/himself to take all measures necessary to prevent corrupt practices, unfair means and illegal activities during any stage of its bid or during any pre-contract or post-contract stage in order to secure the contract or in furtherance to secure the contract and in particular commit itself to the following:

2.2 The BIDDER will not offer, directly or through intermediaries, any bribe, consideration, gift, reward, favour, any material or immaterial benefit or other advantage, commission, fees, brokerage or inducement to any official of the BUYER, connected directly or indirectly with the bidding process, or to any person, organization or third party related to the contract in exchange for any advantage in the bidding, evaluation, contracting and implementation of the Contract.

2.3 The BIDDER further undertakes that she/he has not given, offered or promised to give, directly or indirectly any bribe, gift, consideration, reward, favour, any material or immaterial benefit or other advantage, commission, fees, brokerage or inducement to any official of the BUYER or otherwise in procuring the Contract or forbearing to do or having done any act in relation to the obtaining or execution of the Contract or any other Contract with the Institute for showing or forbearing to show favour or disfavour to any person in relation to the Contract or any other Contract with the Institute.

2.4 BIDDERS shall disclose the name and address of agents and representatives and Indian BIDDERS shall disclose their foreign principals or associates.

2.5 BIDDERS shall disclose the payments to be made by them to agents / brokers or any other intermediary, in connection with this bid/contract.

2.6 The BIDDER further confirms and declares to the BUYER that the BIDDER is the original manufacturer/ integrator/supplier/ authorized government sponsored export entity of the defence stores and has not engaged any individual or firm or company whether Indian or foreign to intercede, facilitate or in any way to recommend to the BUYER, or any of its functionaries, whether officially or unofficially to the award of the contract to the BIDDER, nor has any amount been paid, promised or intended to be paid to any such individual, firm or company in respect of any such intercession, facilitation or recommendation.

2.7 The BIDDER, either while presenting the bid or during pre-contract negotiations or before signing the contract, shall disclose any payments she/ he has made, is committed to or intends to make to officials of the BUYER or their family members, agents, brokers or any other intermediaries in connection with the contract and the details of services agreed upon for such payments.

2.8 The BIDDER will not collude with other parties interested in the contract to impair the transparency, fairness and progress of the bidding process, bid evaluation, contracting and implementation of the contract.

2.9 The BIDDER will not accept any advantage in exchange for any corrupt practice, unfair means and illegal activities.

2.10 The BIDDER shall not use improperly, for purposes of competition or personal gain, or pass on to others, any information provided by the BUYER as part of the business relationship, regarding

*Pragathi*

M. Ravi Kiran

*Rajad*



*A. J.*



plans, technical proposals and business details, including information contained in any electronic data carrier. The BIDDER also undertakes to exercise due and adequate care lest any such information is divulged.

2.11 The BIDDER commits to refrain from giving any complaint directly or through any other manner without supporting it with full viable and verifiable facts.

2.12 The BIDDER shall not instigate or cause to instigate any third person to commit any of the actions mentioned above.

2.13 If the BIDDER or any employee of the BIDDER or any person acting on behalf of the BIDDER, either directly or indirectly, is a relative of any of the officers of the BUYER, or alternatively, if any relative of an officer of the BUYER has financial interest/stake in the BIDDER's firm, the same shall be disclosed by the BIDDER at the time of filing of tender. The term relative for this purpose would be as defined in Section 6 of the Companies Act 1956.

2.14 The BIDDER shall not lend to or borrow any money from or enter into any monetary dealings or transactions, directly or indirectly, with any employee of the BUYER.

### 3. **Previous Transgression**

3.1 The BIDDER declares that no previous transgression occurred in the last three years immediately before signing of this Integrity Pact, with any other company in any country in respect of any corrupt practices envisaged hereunder or with any Public Sector Enterprise in India or any Government Department in India that could justify BIDDER's exclusion from the tender process.

3.2 The BIDDER agrees that if they make incorrect statement on this subject, BIDDER can be disqualified from the tender process or the contract, if already awarded, can be terminated for such reason.

### 4. **Earnest Money Deposit**

4.1 While submitting bid, the BIDDER shall deposit an amount mentioned in tender document as Earnest Money, with the Institute through the following instruments:

4.2 A confirmed Bank Guarantee by an Indian Nationalized Bank, promising payment of the guaranteed sum to the BUYER on demand within three working days without any demur whatsoever and without seeking any reasons whatsoever. The demand for payment by the Institute shall be treated as conclusive proof of payment.

4.3 The Earnest Money shall be valid upto a period of 180 days or the complete conclusion of the contractual obligations to the complete satisfaction of both the BIDDER and the BUYER, including warranty period, whichever is later.

4.4 No interest shall be payable by the BUYER to the BIDDER on Earnest Money for the period of its currency.

4.5 In case of successful BIDDER, EMD will be returned within 30 days from the date of submission of Performance Bank Guarantee.



M. Ravi Kiran



## 5. SECURITY DEPOSIT / PERFORMANCE GUARANTEE:

5.1 Performance Bank Guarantee is mandatory.

5.2 Successful tenderer/ bidder should submit performance guarantee as prescribed above to be received in the office of Registrar, Stores & Purchase Section, IIPE Visakhapatnam on or before 30 days from the date of issue of order acknowledgement. The performance bank guarantee to be furnished in the form of Bank Guarantee, for an amount covering 10% of the purchase order value.

5.3 The Performance Bank Guarantee should be established in favour of "**Indian Institute of Petroleum and Energy**" through any Bank situated at Visakhapatnam or outstation with a clause to enforced the same on their local branch at Visakhapatnam.

5.4 Performance Bank Guarantee shall be for the due and faithfully performance of the contract and shall remain binding, notwithstanding such variations, alterations for extensions of time as may be made, given, conceded or agreed to between the successful tenderer and the purchaser under the terms and conditions of acceptance to tender.

5.5 The successful tenderer is entirely responsible for due performance of the contract in all respects according to the promptness, intent and meaning of the terms and conditions and specifications and all other documents referred to in the acceptance of tender.

5.6 The performance bank guarantee shall be kept valid during the period of contract and shall continue to be enforceable for a period of two years from the date of order acknowledgement.

## 6. Sanctions for Violations

6.1 Any breach of the aforesaid provisions by the BIDDER or any one employed by it or acting on its behalf (whether with or without the knowledge of the BIDDER) shall entitle the BUYER to take all or any one of the following actions, wherever required:

- (i) To immediately call off the pre-contract negotiations without assigning any reason or giving any compensation to the BIDDER. However, the proceedings with the other BIDDER(s) would continue.
- (ii) The Earnest Money Deposit (in pre-contract stage) and/or Security Deposit/Performance Bank Guarantee (after the contract is signed) shall stand forfeited either fully or partially, as decided by the BUYER and the BUYER shall not be required to assign any reason therefore.
- (iii) To immediately cancel the contract, if already signed without giving any compensation to the BIDDER.
- (iv) To recover all sums already paid by the BUYER, and in case of an Indian BIDDER with interest thereon at 2% higher than the prevailing Prime Lending Rate of State Bank of India, while in case of a BIDDER from a country other than India with interest thereon at 2% higher than the LIBOR. If any outstanding payment is due to the BIDDER from the BUYER in connection with any other contract for any other stores, such outstanding payment could also be utilized to recover the aforesaid sum and interest.

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M. Ravi Kiran

*[Handwritten signature]*



*[Handwritten signature]*

- (v) To encash the advance bank guarantee and performance guarantee/warrantybond, if furnished by the BIDDER, in order to recover the payments, already made by the BUYER, along with interest.
- (vi) To cancel all or any other contracts with the BIDDER. The BIDDER shall be liable to pay compensation for any loss or damage to the BUYER resulting from such cancellation/rescission and the BUYER shall be entitled to deduct the amount so payable from the money(s) due to the BIDDER.
- (vii) To debar/blacklist the BIDDER from participating in future bidding processes of the Government of India for a minimum period of two years, which may be further extended at the discretion of the BUYER.
- (viii) To recover all sums paid in violation of this pact by the BIDDER(s) to any middleman or agent or broker with a view to securing the contract.
- (ix) In cases where irrevocable Letters of Credit have been received in respect of any contract signed by the BUYER with the BIDDER, the same shall not be opened.
- (x) Forfeiture of Performance Bank Guarantee in case of a decision by the BUYER to forfeit the same without assigning any reason for imposing sanction for violation of this Pact.

6.2 The BUYER will be entitled to take all or any of the actions mentioned at para 6.1(i) to (x) of this Pact also on the Commission by the BIDDER or any one employed by it or acting on its behalf (whether with or without the knowledge of the BIDDER), of an offence as defined in Chapter IX of the Indian Penal code, 1860 or Prevention of Corruption Act, 1988 or any other statute enacted for prevention of corruption.

6.3 The decision of the BUYER to the effect that a breach of the provisions of this pact has been committed by the BIDDER shall be final and conclusive on the BIDDER. However, the BIDDER can approach the independent monitor(s) appointed for the purposes of this pact.

## 7. **Fall Clause**

7.1 The BIDDER undertakes that he/she has not supplied/is not supplying similar product/systems or subsystems at a price lower than that offered in the present bid in respect of any other Ministry/ Department of the Government of India or PSU and if it is found at any stage that similar product/system or subsystem was supplied by the BIDDER to any other Ministry/Department of the Government of India or PSU at a lower price, then that very price, with due allowance for elapsed time, will be applicable to the present case and the difference in the cost would be refunded by the BIDDER to the BUYER, if the contract has already been concluded.

## 8. **Independent monitors**

8.1 The BUYER has appointed Independent Monitors (hereinafter referred to as Monitors) for this pact in consultation with the Central Vigilance Commission (Chief Vigilance Officer, Indian Institute of Petroleum and Energy Visakhapatnam).

8.2 The task of the Monitor shall be to review independently and objectively, whether and to what extent the parties comply with the obligations under this pact.

*[Signature]*

M. Ravi Kiran

*[Signature]*



*[Signature]*

8.3 The Monitor shall not be subject to instructions by the representatives of the parties and performs their functions neutrally and independently. Both the parties accept that the Monitor have the right to access all the documents relating to the project/procurement, including minutes of the meetings.

8.4 As soon as the Monitor notices, or believes to notice, a violation of this pact, he will so inform the Authority designated by the BUYER.

8.5 The BIDDER(s) accepts that the Monitor has the right to access without restriction to all project documentation of the BUYER including that provided by the BIDDER. The BIDDER will also grant the Monitor, upon his request and demonstration of a valid interest, unrestricted and unconditional access to his project documentation. The same is applicable to subcontractors. The Monitor shall be under contractual obligation to treat the information and documents of the BIDDER/Subcontractor(s) with confidentiality.

8.6 The BUYER will provide to the Monitor sufficient information about all meetings among the parties related to the project provided such meetings could have an impact on the contractual relations between the parties. The parties will offer to the Monitor the option to participate in such meetings.

8.7 The Monitor will submit a written report to the designated Authority of BUYER/ Secretary in the Department/within 08 to 10 weeks from the date of reference or intimation to him by the BUYER / BIDDER and, should the occasion arise, submit proposals for correcting problematic situations.

## 9. **Facilitation of Investigation**

9.1 In case of any allegation of violation of any provisions of this pact or payment of commission, the BUYER or its agencies shall be entitled to examine all the documents including the Books of Accounts of the BIDDER and the BIDDER shall provide necessary information & documents in English and shall extend all possible help for the purpose of such examination.

## 10. **Law and Place of Jurisdiction**

10.1 This Pact is subject to Indian Law. The place of performance and Jurisdiction is the Seat of the BUYER.

## 11. **Other Legal Actions**

11.1 The actions stipulated in this Integrity Pact are without prejudice to any other legal action that may follow in accordance with the provisions of the extant law in force relating to any civil or criminal proceedings.

## 12. **Validity**

12.1 The validity of this Integrity Pact shall be from date of its signing and extend upto 5 years or the complete execution of the contract to the satisfaction of both the BUYER and the BIDDER/ Seller, including warranty period, whichever is later. In case BIDDER is unsuccessful, this Integrity Pact shall expire after six months from the date of the signing of the contract.

*[Signature]*

M. Ravi Kiran

*[Signature]*



*[Signature]*

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12.2 Should one or several provisions of this pact turn out to be invalid, the remainder of this pact remains valid. In this case, the parties will strive to come to an agreement to their original intentions.

The parties hereby sign this Integrity Pact.

BUYER

Registrar, IIPe Visakhapatnam

Date & Place:

Witness

1.

(Indenter)

2.

BIDDER

Signature with seal

Date & Place:

Witness

1.

2.



M. Ravi Kiran





## Annexure - J

**SELF-CERTIFICATION REGARDING LOCAL CONTENT (LC)**  
**FOR GOODS, SERVICES OR WORKS**

(To be obtained on Company letterhead)

Date: .....

I \_\_\_\_\_ S/o, D/o, W/o \_\_\_\_\_, Resident of \_\_\_\_\_ do hereby solemnly affirm and declare as under:

That I will agree to abide by the terms and conditions of Indian Institute of Petroleum and Energy, Visakhapatnam, Ministry of Petroleum & Natural Gas, Government of India issued vide Tender Enquiry No. .... dated .....

That the information furnished hereinafter is correct to best of my knowledge and belief and I undertake to produce relevant records before the procuring authority or any authority nominated by IIPE Visakhapatnam for the purpose of assessing the LC.

That the LC for all inputs which constitute the said Goods/ Services/ Works has been verified by me and I am responsible for the correctness of the claims made therein.

That in the event of the LC of the Goods/ Services/ Works mentioned herein is found to be incorrect and not meeting the prescribed LC norms, based on the assessment of an authority nominated by IIPE Visakhapatnam and I will be liable as under clause 9(f) of Public Procurement (Preference to Make in India) Order 2017.

I agree to maintain all information regarding my claim for LC in the Company's record for a period of 2 years and shall make this available for verification to any statutory authorities:

- (a) Name and details of the Local Supplier:  
(Registered Office, Manufacturing unit location, nature of legal entity)
- (a) Date on which this certificate is issued:
- (c) Product for which the certificate is produced:
- (d) Procuring agency to whom the certificate is furnished:
- (e) Percentage of LC claimed:
- (f) Name and contact details of the unit of the manufacturer:

For and on behalf of \_\_\_\_\_ (Name of firm/entity)

Authorized signatory (To be duly authorized by the Board of Directors)

<Insert Name, Designation and Contact No.>

*Ranjith*

M. Rowi Kiran

*Rajad*



**CERTIFICATE BY BIDDER- DPIIT REGISTRATION*****(Certificate on Company Letterhead)***

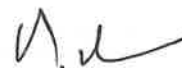
I have read the clause regarding restrictions on procurement from a bidder of a country which shares a land border with India; I certify that this bidder is not from such a country or, / if from such a country, has been registered with the Competent Authority (copy of the Registration Certificate enclosed) .

I hereby certify that this bidder fulfils all requirements in this regard and is eligible to be considered for this tender no. \_\_\_\_\_ dated \_\_\_\_\_ listed by IIPE Visakhapatnam.

Signature with Date  
and Stamp of the Bidder

  
M. Ravi Kiran  



## Annexure - L



## भारतीय पेट्रोलियम और ऊर्जा संस्थान

## INDIAN INSTITUTE OF PETROLEUM AND ENERGY

**Financial concurrence & Approval of the Competent Authority  
for the purchase through Government e-Marketplace (GeM)**

Purchase File No	
GeM Reference No	
Name of the official / Buyer (Indenter)	
Designation	
Department	
Item to be purchased	
Name of the vendor	
Total Value of the Item in Rs. in Figure	
Total Value of the Item in Rs. in words	

Signature of the official/Indenter

Internal Audit Clearance

Financial Concurrence

Approval of the proposal and Sanction of the amount by the competent authority

M. Ravi Kiran



c/8



भारतीय पेट्रोलियम और ऊर्जा संस्थान

Annexure - M

INDIAN INSTITUTE OF PETROLEUM AND ENERGY

**BANK GUARANTEE FORMAT FOR FURNISHING BID SECURITY (EMD)**

(On non-judicial stamp paper of appropriate value)

To,  
The Registrar  
Indian Institute of Petroleum and Energy, Visakhapatnam-530 003

IN ACCORDANCE WITH YOUR TENDER for supply of.....,  
M/s. ....(hereinafter called the "Bidder") having its Registered Office  
at....., wish to participate in the said bid for the supply  
..... as an irrevocable Bank Guarantee against Earnest Money  
Deposit for an amount of Rs. .... (Rupees.....) valid up to (180  
days from the date of issue of Bank Guarantee), is required to be submitted by the bidder as a condition  
precedent for participating in the said bid, which amount is liable to be forfeited by the Purchaser on  
(1) the withdrawal or revision of the offer by the bidder within the validity period, (2) Non  
acceptance of the Letter of Indent / Purchase order by the Bidder when issued within the validity  
period, (3) failure to execute the contract as per contractual terms and condition with in the contractual  
delivery period and (4) on the happening of any contingencies mentioned in the bid documents.

**During the validity of this Bank Guarantee:**

We,.....(Bank name) having its registered Office at .....guarantee and  
undertake to pay immediately on first demand by..... the amount  
of Rs..... (Rupees.....) without any reservation, protest, demur and recourse.  
Any such demand made by the IIPE Visakhapatnam shall be conclusive and recourse. Any such demand  
made by the purchaser shall be binding on the Bank irrespective of any dispute or difference raised by  
the Bidder. The Guarantee shall be irrevocable and shall remain valid up to.....(180 days  
from the date of issue of Bank Guarantee) If any further extension is required, the same shall be  
extended to such required period on receiving instruction from the Bidder, on whose behalf the  
Guarantee is issued.

**Notwithstanding anything contained herein:**

1. Our liability under this Bank Guarantee shall not exceed Rs..... (Rupees .....).
2. This Bank Guarantee shall be valid up to (date).
3. We are liable to pay the guaranteed amount or any part thereof under this Bank Guarantee  
only and only if you serve upon us a written claim or before..... (date).

This Bank further agrees that the claims if any, against this Bank Guarantee shall be enforceable at our  
branch office at ..... situated at ..... (Address of local branch).

Yours truly,

Name of Bank: Address:  
Date:

*[Signature]*

M. Ravi Kiran

*[Signature]*



*[Signature]*



भारतीय पेट्रोलियम और ऊर्जा संस्थान

Annexure - N

**INDIAN INSTITUTE OF PETROLEUM AND ENERGY**

**PERFORMANCE SECURITY FORM**

**BANK GUARANTEE FORMAT FOR PERFORMANCE SECURITY**

(On non-judicial stamp paper of appropriate value)

To,

Registrar,

Indian Institute of Petroleum and Energy, Visakhapatnam-530003

WHEREAS Indian Institute of Petroleum and Energy Visakhapatnam, (Buyer) have invited Tenders vide Tender No..... Dt .....for purchase of .....  
AND WHEREAS the said tender document requires that any eligible successful tenderer (seller) wishing to supply the equipment / machinery, etc. in response thereto shall establish an irrevocable Performance Guarantee Bond in favour of **"Indian Institute of Petroleum and Energy Visakhapatnam"** in the form of Bank Guarantee for Rs (10% (ten percent) of the purchase value) and valid till .....from the date of issue of Performance Guarantee Bond may be submitted within 30 (Thirty) days from the date of Acceptance as a successful bidder.

NOW THIS BANK HEREBY GUARANTEES that in the event of the said tenderer (seller) failing to abide by any of the conditions referred in tender document / purchase order / performance of the equipment / machinery, etc. this Bank shall pay to Indian Institute of Petroleum and Energy on demand and without protest or demur Rs. ....(Rupees.....).

This Bank further agrees that the decision of Indian Institute of Petroleum and Energy Visakhapatnam (Buyer) as to whether the said Tenderer (Seller) has committed a breach of any of the conditions referred in tender document / purchase order shall be final and binding. We, ..... (name of the Bank & branch) hereby further agree that the Guarantee herein contained shall not be affected by any change in the constitution of the Tenderer (Seller) and/ or Indian Institute of ~~petroleum and energy~~ (Buyer).

**Notwithstanding anything contained herein:**

Our liability under this Bank Guarantee shall not exceed Rs..... (Indian Rupees ..... only). This Bank Guarantee shall be valid up to ..... (date) and We are liable to pay the guaranteed amount or any part thereof under this bank guarantee only and only if IIPE Visakhapatnam serve upon us a written claim or demand on or before (date).

This Bank further agrees that the claims if any, against this Bank Guarantee shall be enforceable at our branch office at ..... situated at..... (Address of local branch).

Yours truly,

Signature and seal of the guarantor:

Name of Bank: Address:

Date:

*[Handwritten signature]*

M. Ravi Kiran



*[Handwritten signature]*



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भारतीय पेट्रोलियम और ऊर्जा संस्थान

Annexure - O

**INDIAN INSTITUTE OF PETROLEUM AND ENERGY**

**BANK GUARANTEE FORM FOR ADVANCE PAYMENT**  
**(On non-judicial stamp paper of appropriate value)**

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/her 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.

*[Signature]*

M. Ravi Kiran

*[Signature]*

*[Signature]*





भारतीय पेट्रोलियम और ऊर्जा संस्थान

Annexure - P

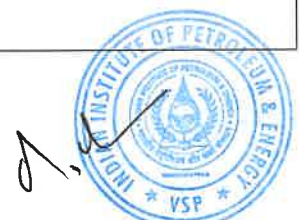
INDIAN INSTITUTE OF PETROLEUM AND ENERGY

IIPE Visakhapatnam Stores & Purchase Section Format for Registration of Suppliers		
1	Category of Suppliers : (eg. Furniture, general, electronic items, etc.)	
2	Name of Unit Street/City Pin- code Tel. Nos. Fax No.	M/s.
3	Registered Office Address: Street/City Pin-code Telephone Nos. Fax No. :- Works / Site Address Street / City Pin-code Telephone Nos. Fax No. :	
4	Email* (e-mail ID preferably of organization only)	1. 2.
5	Constitution of the Firm	Private Ltd./Public Ltd./Partnership/ Prop.
6	Status of the Firm	Micro/Small/Medium/Large Scale/dealer/trader
7	Name & Designation of CEO / Director / Proprietor	
8	Sales Tax Registration: a) CST / State Sales Tax b) Registration No. & Date	
9	VAT Registration : a) VAT Supplier / Dealer –TIN b) TOT Supplier/Dealer – GRN c) Un-registered Supplier / Dealer	
10	Excise Registration: a) ECC Code : b) ECC Zone	
11	Bank Details*: (for electronic MoneyTransfer) Name of the Bank, Account No. etc.	
12	Income Tax Registration: a) PAN / GIR No.*	

*[Signature]*

M. Ravi Kiran

*[Signature]*



	b) Copy of latest IT Return*	
13	Turnover*: a) 2019-20 b) 2020-21 c) 2021-22	
14	Registration No. & Copy under Shop Registration ACT with BMC. Industry Registration Validity Date:	
15	Any Group Co. /Sister Concern Registered with IPE Visakhapatnam	No / Yes M/s.....
16	Any other Information	
* Attach copy of supporting documents.		

Signature with seal

**Important Note:**

1. Your registration will be valid for 3 years which can be terminated any time with one month notice.
2. Enclose the Demand Draft for Rs. 5000/- in favour IPE Visakhapatnam as a registration fee, which will be refundable after completion of three years without interest.
3. The choice of sending the NIT to registered vendors is reserved with IPE Visakhapatnam.



M. Ravi Kiran







**भारतीय पेट्रोलियम और ऊर्जा संस्थान**  
**INDIAN INSTITUTE OF PETROLEUM AND ENERGY**

Annexure - Q

**DRAFT PURCHASE ORDER**

Purchase Order No. \_\_\_\_\_

Date: \_\_\_\_\_

To

Subject: - \_\_\_\_\_ - Reg.

Reference: No. \_\_\_\_\_ Date: \_\_\_\_\_

Dear Sir,

With reference to your above offer, purchase order for the following \_\_\_\_\_ is being placed with your Company in accordance with the terms and conditions mentioned overleaf:-

Sl. No.	Item Description	Qty.	Unit Price (Rs./FC)	Amount (Rs./FC)
1.				
2.				
3.				
Basic Value:				
Less: Discount (if any):				
Add: Taxes (if any):				
Total Amount:				

Amount in words : (Rupees \_\_\_\_\_ Only)

**Terms & Conditions:**

1. Prices:
2. Delivery Address/Invoice to be in the name of/No. of copies of challans & Documents
3. Marking:
4. Taxes: VAT/CST/Octroi/Entry Tax etc.
5. Freight:
6. Packing & Forwarding/Loading Unloading Cost:
7. Warranty:
8. Performance Security/Bank Guarantee:
9. Delivery Period:
10. Terms of Payment:
11. Liquidity Damages:
12. Acceptance:

**For Foreign Purchases:** Freight Forwarder, Insurance, Agency Commission, Installation and Technical Support, Bank Charges, Documents, Shipment, details as required for Foreign Purchases.

Signature of Indenter

*[Handwritten Signature]*

M. Ravi Kiran

*[Handwritten Signature]*



*[Handwritten Signature]*



# भारतीय पेट्रोलियम और ऊर्जा संस्थान

**Annexure - R**

## INDIAN INSTITUTE OF PETROLEUM AND ENERGY

Forwarding of Bills / Invoices for payment upto Rs. 25,000/-

Budget Head	
Name of Dept. /Section	

1. Name of the Supplier/Service Provider :
2. Name of the Beneficiary :  
(Payment to party/ reimbursement)
3. Particulars of bill / invoices :

Sl.	Description of the goods supplied/services provided	Bill No.	Bill Date	Bill Value (Rs.)	Remarks

(Rupees \_\_\_\_\_)

Please comply the checklist before forwarding the bill for further process:

1. Stock entry completed : Yes / No
2. Self – satisfactory certificate : Yes / No

Date: \_\_\_\_\_ Dealing Assistant \_\_\_\_\_ Indenter \_\_\_\_\_

**(For the use of sanctioning authority)**

**RG/Dean/HoD/PI**

Sanctioned a sum of Rs. \_\_\_\_\_ only.

Date: \_\_\_\_\_ (Signature of the competent sanctioning authority)

**(For the use of Internal Audit/ Payment only)**

FO/ DR/ Registrar

M. Ravi Kiran

