

PURCHASE PROCEDURES

(For Approval of BOG)

Keeping in view the Guidelines for the purchase procedure communicated by the Deptt. of Atomic Energy vide their letter no. 29/7/2002/R&D-II/1241 dated 20.01.2004 & 29/5/2003-R&D-II/5791 dated 21.07.2006, the Purchase Procedure has been structured as detailed further.

Purchase Committee:

The Institute will have a Purchase Committee comprising...

Director	- Chairperson
Registrar	- Member
Finance Officer	- Member
Stores & Purchase Officer	- Member Secretary
Senior Faculty-02 nos.	- nominated by the Director, NISER

The Director may co-opt other members from the Board of Governors of the Institute, any other DAE Unit, or the Institute, as per need, to be on the committee.

1. INDENTING AND APPROVAL OF PURCHASE OF ITEMS & SERVICES:

1. Indents (Plan as well & Non-Plan heads) covering the requirements of equipment, services, component and all type of stores needed by the section/dept. shall be prepared in the format prescribed by the Institute and shall be raised on Stores & Purchase Section of the Institute, duly recommended by the Head of the Department / Section.
2. The authorities empowered to recommend and approve the requirement, and expenditure for the Indent are as under:

As per BOG dated: 02/04/2013 & DAE Order No. 29/7/2007-R&D-II/1240, dated: 20th Jan 2004.

Sl.	Conclusion of contracts for purchase of Store (For Indenting acceptance and awarding contracts)	Board of Governors (BOG)	Director	Heads of Department/Chairperson of the School
1	(i) In case of Open Tender	₹8 Crores	₹5 Crores	₹5 Lakhs Note: Only for purchases relating to consumables and stores items of respective schools/ Department
	(ii) In case of Limited tender	₹3 Crores	₹2 Crores	
	(iii) In case of single/negotiated tender	₹2 Crores	₹1 Crore	
	(iv) In case proprietary item	₹2 Crores	₹1 Crore	

3. In above cases the estimated value of Indent will be considered for approval. In case of import F.O.B. value shall be the criterion for defining approving authority.
4. Indents must be got approved before hand from the authorities mentioned in 2 above before sending them to Stores & Purchase Section and the Indenting Authority should give sufficient justification for the requirements and technical justification for the choice of the proprietary articles of stores, if any. The Indenting Officer should ensure that the specifications of the item required to be purchased is complete in all respects and that no such material is available in stock. Upon receipt of an Indent the approving and sanctioning authority may recommend the matter to a committee of the Institute for examination and recommendation, if any.

5. An invitation to submit tender will normally be issued only to the reputed or registered suppliers with the Institute.
6. Selection of suppliers by sending invitation to submit tenders will be made on rotation, except in the case of few proven core suppliers who can invariably be contacted to ensure timely supplies.
7. The Stores & Purchase Section of the Institute may register as many suppliers as possible, who will be in a position to meet the Institute's requirement with the approval of the Technical Committees/Director.
8. In case it is proposed to issue enquiries to firms not registered with the Institute, (which will normally be based on the recommendation of the indenting officer/Technical Committee in respect of some specialised requirement(s) and also where the field is limited and the reputed suppliers do not get registered) prior approval of Director will be obtained in such cases.

2. MODE OF PURCHASE:

1. On receipt of an indent in the Stores & Purchase Section, the Stores Purchase Officer after satisfying that the indent is complete in all respects, shall decide the mode of purchase and invite tenders by adopting anyone of the following modes.

3. OPEN TENDER/PUBLIC TENDER:

1. Purchase shall normally be made by inviting Open Tenders in all cases where the estimated value of an item or items of similar nature covered by an indent at a time exceeds ₹25,00,000.00 (Twenty Five Lakhs). In case the value of the stores/services (other than works contracts) to be purchased exceeds ₹8 Crores prior approval of the Department of Atomic Energy shall be taken.
2. Director shall fix tender fee in consultation with finance in respect of tender documents to be sold by the Accounts Department. The Director may waive the tender fee and permit tender document to be supplied free of cost in respect of such of those suppliers /organizations who have been exempted by the Government of India from payment of tender fee by its order from time to time.
3. The Earnest Money Deposit shall be 2% of the estimate of an indent (rounded off to the next higher ₹50/-) which will be taken in favour of the Director in the form of Demand Draft/Pay order/ FDR/Bank Guarantee issued by any Nationalised Bank/Scheduled Bank. Director, NISER may increase the EMD amount of a particular indent for which such a decision is warranted.
4. Open Tender system can be dispensed with in favour of limited tender system as a mode of purchase even when the estimated value of an item or items of similar nature covered by an indent to be purchased at a time exceeds ₹25,00,000.00 (Twenty Five Lakhs) in the following circumstances.
 - a) When the requirement is urgent and the desired schedule can not be met if open tenders are invited.
 - b) When the sources of supply are definitely known and limited.
 - c) When the field has already been explored by an Open Tender for similar items during the period of about one year preceding the date of the indent.
 - d) When Stores are reserved for purchase from a specified category of industry as per the policy decision of the Institute.

In above cases prior approval of Director of the Institute will be obtained and depending upon the estimated value of the items, the field should be covered adequately by contacting as many suppliers as possible.

4. LIMITED TENDER:

1. Purchase shall normally be made by inviting Limited Tenders in all cases where the estimated value of an item or items of similar nature covered by an indent to be purchased at a time exceeds ₹50,000/- but does not exceed ₹25,00,000/- (₹ Twenty Five Lakhs).

2. It shall however be ensured that the field is covered by contacting as many suppliers as possible depending upon the estimated value of the item. Tender enquiry will be issued to at least five firms / suppliers in the field when the value of the items to be purchased is between the range of ₹50,000/- upto ₹10,00,000/- and to ten firms when the value of the items to be purchased is above ₹10,00,000/- up to ₹25,00,000/-, unless the sources of supply is less than these minimum specified numbers. Selection of suppliers will be done on the basis of guidelines laid down under para 1.5 to 1.8.

5. SINGLE TENDER:

1. A single tender up to a value of ₹2 Crores with the approval of the Director may be invited in respect of the following cases. In case the value of the stores/services to be purchased exceeds ₹2 Crores prior approval of the Department of Atomic Energy shall be taken with the recommendation of Board of Governors.
 - a) When an item or items of Stores covered by an indent is available from only a single source e.g. where the items are spares parts, attachments, accessories, etc., required for an existing equipment or the items of stores are the monopoly products of a single manufacturer
 - b) When an item or items of Stores covered by an indent is of a proprietary nature and is recommended to be purchased from a single source with sufficient technical reasons for choice of the proprietary make.

6. AB-INITIO NEGOTIATION:

1. The System of 'Ab-Initio' negotiation may be adopted with the prior approval of the Director in exceptional circumstances, e.g. where there is no competition or where there is shortage of capacity or where it is in the interest of Institute to adopt this system. In case the value of the stores to be purchased exceeds ₹2.00 Crores, prior approval of the Board of Governors shall be obtained.
2. Where 'Ab-Initio' negotiation is adopted as the mode of purchase, a set of tender forms including specifications, drawing and other allied details of the stores shall be forwarded to the suppliers(s) concerned with instructions that they should go through the documents thoroughly and return it with an undertaking that they have fully studied and understood the requirements correctly and can meet the requirement. Techno-commercial negotiation (excluding price) shall be conducted with such of those suppliers who have agreed to meet the requirements by a committee consisting of the Finance Officer, Stores & Purchase Officer and the Indenting Officer. After holding the techno-commercial discussion with the suppliers(s) concerned, the negotiating committee will draw up minutes of the meeting indicating the techno-commercial agreements reached with the supplier(s) (excluding the price) and get the minutes signed by all the members of the negotiating committee including the supplier's representative who should be present at the meeting. The representatives of the suppliers who are present during the negotiation will be informed that they will be required to quote the price for the item in a sealed envelope. The due date and the time for opening the price bid will be indicated in writing to the suppliers.

7. POST TENDER NEGOTIATION:

1. Post Tender Negotiation should be discouraged except in respect of the following circumstances:
 - a) Purchase of items on single tender basis where the prices quoted by the only supplier are higher than the estimate, subject to the condition that the estimate is realistic.
 - b) There is downward trend in the price of the item in the market after opening of the tenders. If the number of technically suitable / acceptable offers are more than one, all such bidders shall be given an opportunity to furnish their revised prices in a sealed envelope on a specified due date and time instead of holding any negotiation.
 - c) When the quantities of the item to be purchased are large and the orders have to be placed with more than one supplier and each of them has quoted varying rates in their offer and the intention is to reduce the price gap.

2. The Director of the Institute may overrule the recommendation for the price negotiation if he is satisfied that the recommendation made to hold the post tender price negotiation does not fall in the line with the above guidelines.

8. RATE AND RUNNING CONTRACT/BULK SUPPLY CONTRACT:

1. In case of items of common use, rate and running/bulk supply contracts based on Open Tender may be resorted to for an appropriate period not exceeding two years at a time.
2. Where valid rate contracts (like DGS&D rate contract etc) are available, there would be no objection in making direct procurement from the rate contract holders by placing purchase orders, provided they are willing to make supplies at the rate contract prices and terms.

9. CASH PURCHASE:

1. Where the value of an item or items of similar nature covered by an indent to be purchased at a time does not exceed ₹5, 000/-, purchase may be made by cash. For purchase up to ₹10,000/- in value, quotations may be invited from a minimum of three firms (unless the source of supply is less than the minimum number)
2. Purchase of non-standard items which require inspection and spot decision at a shop or supplier's office may be made by cash up to ₹5,000/- in a single instance with prior approval of the Director.

10. TELEPHONIC QUOTATION:

1. Where the value of an item or items of similar nature covered by an indent to be purchased at a time exceeds ₹10,000/- but does not exceed ₹50,000/- quotations by telephone shall be obtained.
2. Firms / suppliers from whom telephonic quotations are obtained as per para 10.1 above, shall be asked in writing to confirm that the quotation has been correctly recorded.
3. There shall, however, be no objection in inviting limited tenders instead of obtaining telephonic quotations wherever there are difficulties in processing purchase based on telephonic quotations.

11. REPEAT ORDER:

1. If an indent is received for an item or items of stores of identical description for which an earlier purchase order has been placed, fresh tendering action may be dispensed with and purchase may be made on repeat order basis provided:
 - a) The original purchase order was placed on the basis of lowest technically acceptable offer.
 - b) The new purchase order is placed within six months from the date of issue of the original purchase order and the prices may not have reduced in the market.
 - c) The supplier concerned is willing to accept a purchase order on identical terms and conditions.
 - d) The requirement is for stores of identical description.
 - e) The quantity to be ordered/purchased on each occasion on repeat order basis does not exceed 100% of the quantity as per the original purchase order.
 - f) The supplier concerned is willing to accept a purchase order on identical terms & conditions.
 - g) Efforts are made to obtain a suitable rebate from the supplier concerned for the increase in the quantity and the result of the efforts are recorded in writing before order is released.

12. TWO-PART TENDERS:

1. Two Part Tender System may be called due to special/unfamiliar nature of the items or with the approval of Director in consultation with Finance Officer for any other items/services needing detailed technical scrutiny of the offers before opening the Price Part of the tenders.

13. TENDER OPENING COMMITTEE:

1. The following officials or their representative shall constitute the Tender Opening Committee.

Deputy Controller of Accounts, Store Purchase Officer and Indenting Officer and any other member suggested by the Director of the Institute. For Technical items or Technical Services, the user Section Head may also be co-opted.

14. PROCESSING OF TENDERS/QUOTATIONS:

In case of 2-part tenders the Indenting Officer will make detailed comparative statement of the Technical part of the tender/quotations with recommendations which should be approved by the Dept. Head and the Director.

The Stores & Purchase Section will make detailed comparative statement after opening of the Tenders/Quotations and commercial part in case of 2 part tenders, which will then be sent to the Indenting Authority/Technical Committee for examination and making recommendations on the basis of the Technical evaluation/ suitability. The Indenting Authority/Technical Committee will make detailed recommendations with justification in writing and return the same to the Stores & Purchase Section. The Stores & Purchase Section will get the complete file of Indent Pre-Audited as per para 15 and then send it for approval as per para 1.2(a).

15. PRE –AUDIT:

1. No Indent exceeding ₹20,000/- in value and amendment thereto having financial implications where the value of the Indent after the amendment exceeds Rs,20,000/-, shall be released for Purchase Order by the Purchase Section, unless it has been pre-audited and certified to be in order by the authority in the Internal Audit Section of the Institute or by any other officer so deputed by the Director. For any clarification or need for documents etc., the pre-audit section/authority so nominated by the Director, will personally contact the SPO/Registrar to facilitate speedy disposal of the Indent at hand.
2. However, in the case of financial commitment in respect of the Indents below the value of ₹20,000/-, a copy of the purchase order will be provided to the authority as in para15.1 above.

16. PURCHASE ORDER:

After approvals as mentioned in para 14 & 15, the Stores & Purchase Section will release the Purchase Order with detailed terms & conditions and agreement, if any duly signed by the Stores & Purchase Officer.

17. RECEIPT OF STORES:

1. All the materials purchased on behalf of the Institute shall be received at the Stores Section of the Institute. After inspection and physical verification of the store, necessary technical and quality approval of the indenting Authority/Technical Committee shall be taken and recorded on the invoice of the supplier. The Stores & Purchase Section will provide the Invoice/Bill with necessary entries along with copies of approval of the competent authority to the Accounts Section for payment.

18. PAYMENT OF BILLS:

1. Payment against orders shall be released by the Accounts Dept. as per the mode and terms & conditions stipulated in the order.
2. In respect of such of those purchase orders where the contractors make either excess supply or short supply not exceeding plus/minus (+/-) 10% of the quantity ordered in each purchase order, the paying authority will make payment to the extent of the quantity actually supplied by the contractor without a formal amendment to the purchase order subject to
 - a) Availability of funds for the purchase.
 - b) The indenting authority agreeing to accept the short or excess supply.
 - c) The total value of the excess supply not exceeding ₹50,000/- in each case.

3. After necessary accounting, the Accounts Section shall arrange for the Cheque /Draft etc. and forward the same to the despatch section for onward delivery.

19. DEVIATIONS:

1. Head of the Institution (Director) will have the powers for approving and authorising any deviation from the purchase procedure including standard terms & conditions of contract, provided, however, that the reasons for such deviations are recorded in writing and Head of the Institution is satisfied of the necessity for such deviations. These deviations should be brought to the Board of Governors for information.

20. SAVING CLAUSE

General instructions issued by the Department of Atomic Energy from time to time, shall be followed.
