

DIVYASAMPARK IHUB ROORKEE FOR DEVICES
MATERIALS AND TECHNOLOGY FOUNDATION
IIT ROORKEE

Purchase Rules

1. Preamble

In the context of changing economic and business scenario, introduction of the General Financial Rule, 2017 (GER, 2017), GST, use of online services, digital India mission, transparent and efficient, it is imperative to formulate the rules and regulations for purchase and stores. As a matter of policy DIVYASAMPARK IIT ROORKEE encourages the adoption of established procedure, wide publicity, fair competition and efficient delivery of the desired objectives for which the purchases/ orders are made in the company.

DIVYASAMPARK, being primarily a research supporting and funding Hub, the requirements are scientific with limited vendors. The procurement is time as well as project specific.

The purchaser shall make reasonable efforts to draw precise and accurate specifications of products/ works and find out the details of possible bidders for purchases.

2. Approval of items and funds

Items and funds for purchase may be approved by the Competent Authority as defined below:

Competent Authority:

- i For purchase/ orders up to ₹ 1 Lakhs is CEO/ Vertical Head (VH).
- ii The online purchase up to ₹ 2 lakh from source within India is CEO/ VH.
- iii For purchases from ₹ 1-5 Lakhs is the CEO.
- iv For purchases more than ₹ 5 - ₹ 50 lakhs are the CEO + Project Director is required.
- v For the purchase above ₹ 50 Lakhs the CEO + Project Director + Chairman, Board of Director.
- vi For purchases made by local purchase committee (LPC) up to ₹ 5 lakhs recommended by the Indentor and approved by CEO and above ₹ 5 lakhs to ₹ 10 lakhs recommended by Indentor and approved by CEO + Project Director.
- vii The annual maintenance/ service contract from the original equipment/ machines/ ACS manufacturer/ manufacturer's authorized supplier, for a value of maximum of 10% of the original cost for the first 2 years and thereafter 15% of the original cost or 110% of previous year AMC value, whichever is lower by CEO.

- viii The repair work, spare parts, calibration from the original equipment manufacturer/ manufacturer's authorized supplier, calibration from NABL accredited laboratory, by CEO.

3. **Purchase Committees**

- i DIVYASAMPARK shall make any purchase costing above ₹ 100,000/- except online purchases (Section 2, Point ii) and purchases for which an LPC (Section 2, Point v) has been constituted.
- ii All the purchases shall be made as per the Purchase Rules of DIVYASAMPARK. The following committees are proposed to simplify the purchase process:
- Purchase Committee (PC) for purchases upto ₹ 25 Lakhs, with one Indentor, one vertical Head, one financial authority and CEO. The term of PC shall be the duration of the project.
 - Major Purchase Committee (MPC) for purchases upto ₹ 50 Lakhs, with one indentor+ CEO+ VH+ Financial Officer in charge + Project Director.
 - Special Purchase Committee for Purchases above ₹ 50 Lakhs with Chairman, BoD or his nominee + CEO + Project Director + VH+ Finance Officer + Indentor
 - Local Purchase committee (LPC) will be constituted by Divyasampark/ PI, having three members, after approval by CEO for making purchases which are urgent in nature or job/ fabrication works for the completion of installation.

4. **Types of purchase**

- i Purchase upto ₹ 1 Lakh may be made without calling quotations.
- ii Online purchases upto ₹ 2 lakh if the source of supply is within India.
- iii All purchases above ₹ 1 Lakh should invariably be made by the Divyasampark through inviting quotations as well as website publication except on line purchases at point ii above which may be made by the indenter and LPC at point vi of Section 2. However, in case of single source purchases (other than proprietary items), website publication is not required.
- iv Limited Tender: For purchases from ₹ 1 Lakh to ₹ 15 lakhs, Divyasampark will send Enquiry Letters under Limited Tender to minimum 5 potential vendors identified by the indenter/ PC.
- v Limited Tender: For purchases between ₹ 15 Lakhs and ₹ 50 Lakhs Divyasampark will send Enquiry Letters under Limited Tender to minimum potential vendors identified by the indenter/PC. In case potential vendors are less than 6, Divyasampark can opt for open tender. However, for purchases above ₹ 30 Lakhs, the enquiry letters shall also be placed on GoI website (eprocure.gov.in).
- vi Open Tender: Where the total cost of purchase is estimated above Rs. 50,00,000; tenders will be invariably be invited through publication of tender notice in e-

publication on GOI website (eprocure.gov.in) and tendering may be through e-procurement.

- vii Single Tender: Purchase upto ₹ 30 lakhs can be done by sending an Enquiry letter to a single firm under the following circumstances:
- a. It is in the knowledge of the user department that only a particular firm is the manufacturer/ supplier of the required goods or is proprietary item(s).
 - b. The required goods are to be purchased from a particular source and the reason for such decision is to be recorded in the form of PC Report.
 - c. For standardization of machinery or spare parts to be compatible to the existing sets of equipment, the required item is to be purchased only from a selected firm.
 - d. The notice regarding the purchase of item(s) of propriety in nature must be uploaded on Divyasampark's Website giving a minimum time of 7 days (excluding National Holidays) to submit quotation. However, in other cases of single source purchases e.g. a compatible spare part from manufacturer of the equipment, order can directly be placed without publishing the requirements on the website.
 - e. Many times, it is found that the certain items which carries some critical technologies are solely manufactured by some foreign companies who may not have any Indian counterpart/ representative/ dealer. In such cases, it becomes extremely difficulty to purchase these specialized/ customized items carrying critical technology which might be essentially desired to meet the objectives of research endeavours. In such cases, the notice regarding purchase of item(s) must be first uploaded on Divyasampark's website giving a minimum time of 7 days (excluding National Holidays) to submit quotations. In case there is no response, quotations may be collected through e-mail, with a clause that the proof of email communication with at least three relevant companies should be given by the indenter. Further, even if only one of the foreign manufacturers responds against the email enquiry, then it should be considered as the valid quote to place the PO.

5. Orders on nomination basis:

If the purchase is proposed from the Central/ State Government or Central/ State Public Sector Undertaking/ Organization/ Company, the competent authority may approve proposal on the recommendations of concerned PC and CEO for purchase up to ₹ 1.5 Crore, without inviting any type of tender as per terms and conditions of the Government/ Public Sector Undertaking/ Organization as the case may be. Certified Fabrication, Foundaries, special type of scientific equipments/services which are not available in India. The purchase upto ₹ 1.5 crores can be made on nomination basis after signing an appropriate MoU/Agreement approved by Chairman BoD.

6. Government e-Market place (GeM):

Government of India recently initiated online Government e-Marketplace (GeM) for common use Goods and Services. The GeM portal may be utilized by Divyasampark for direct on-line purchases as under:

- a) Up to ₹ 100,000/- through any of the available suppliers on the GeM, meeting the requisite quality, specifications and delivery period.
- b) Above ₹ 100,000/- and up to 30,00,000 through the GeM seller having lowest price amongst the available sellers, of at least three different manufacturers, on GeM, meeting the requisite quality, specifications and delivery period.
- c) Above 30,00,000 through the supplier having lowest price meeting the requisite quality, specifications and delivery period after mandatorily obtaining bids, using online bidding or reverse auction tool provided on GeM.

7. Expression of Interest (EOI):

In case, there is unawareness or not enough clarity about the specifications of the intended purchase/ services/ orders for an estimated amount of Rs. 50 lakhs and above and their possible bidders, the method of inviting "expression of interest" and also known as "two stage bidding" may be adopted through open tender process and after receiving the details, the specifications may be finalized and offers be obtained as limited tender from the eligible vendors.

Enquiry for seeking EOI should include in brief, the broad scope of the work or service, inputs to be provided, eligibility and the prequalification criteria to be met by the bidders and their past experience in similar work/ service. The bidders may also be asked to send their comments on the scope and specifications of the works or services projected in the enquiry. Adequate time should be allowed for getting responses from interested bidders.

On the basis of the responses received from the interested parties, bidders meeting the requirements should be short listed for further consideration. However, in special cases if there are less than three bidders an EOI can be send again. Based on the inputs received from the shortlisted bidders, detailed specifications/ terms of reference/ general and special conditions/ formats shall be drawn to seek two-part bids as technical and financial proposals only from shortlisted bidders. If it is appropriate a pre-bid meeting may also be scheduled where the suggestions from prospective bidders on the issued document be discussed and amended if necessary. Amendments, if any, need to be shared with all short-listed bidders in writing before the bid submission.

8. Rate Contract:

If the purchase is proposed on the basis of rate contract approved by Central Government Company, or on rate Contract approved by TIH/IITs/GeM/DGS&D, orders for purchase upto Rs. 25 Lakhs, may be approved by the competent authority, without inviting any type of tender as per terms and conditions of the Government/ Public Sector Undertaking/ Organization as the case may be.

9. Purchase through LPC:

Purchase of goods, in case of urgency/ to complete installations/running experiments/ chemicals/ some specific needs of time-bound research projects (e.g. electronic components, capacitors, inductors, etc.)/ machine parts/ liveries or sundry items etc. duly recorded, on each occasion may be made on the recommendations of a duly constituted LPC. At least three quotations (by email or fax or collected personally in a cover) be obtained by LPC. The committee will survey the

market to ascertain the reasonableness of rate, quality and specifications and identify the appropriate suppliers. Roorkee being the small town, nearby cities like Haridwar, Dehradun, and Delhi etc and from Industry Hubs such as Bangalore, Hyderabad, /Chennai, etc are also covered for such purchase. In specific cases other places in India or abroad may be considered for such purchases.

The benefit of warranty and other clauses as available must be availed.

The committee may also make purchase by taking advance. However, purchase in such case should invariably be made by placing order by the concerned indenter.

10. Special Purchase Committee (SPC): Purchase of any special kind or need duly recorded may be processed through a SPC.

11. Tender notices must also be displayed on the Divyasampark website. Those downloading the tender document from the website should deposit tender fee, if any, while submitting their quotation/ tender. Earnest money deposit (EMD) should also be submitted along with the quotation/ tender, only if PC decides to do so.

12. Only those quotations which are received within the due date and time, specified in the enquiry letter/ tender notice, will be considered

13. Black listing of a firm can be done by Divyasampark on the basis of recommendation of PC, advice from legal cell and with the approval of the Competent Authority.

14. The firms for the purpose of inviting quotations for purchase of materials/ services/ equipment/ instrument etc. will be manufactures or authorized dealer/ agents/ stockiest/ suppliers/ service providers or firms undertaking job works.

15. Procedure for Inviting Quotations:

The following procedure should be observed for inviting quotations/ tenders:

- a The Indentor will prepare the specifications of the required item and also, prepare the list of suppliers. However, Divyasampark/PC can also identify venders in addition to the list provided.
- b In the indent, the Indentor should duly mention the quantity of proposed item, copy of the approval of funds (with allotted grant code) for the required item, complete specifications as well as requirements of warranty, training/ technical support, after sales service, AMC, packing etc. The indent should be submitted to Divyasampark along with the hard and soft copies of the addresses of the likely suppliers and precise and accurate specifications.
- c Dvyasampark will examine the indent/ documents as per approved project and put it infront of PC for its approval. Divyasampark will then initiate the purchase process by inviting quotations

- i Single-bid system: For purchases with estimated cost of up to ₹ 30 lakhs under single bid system (technical and financial bid together and opened at single instance). Bids will be opened by Divyasampark in the presence of bidders and indenter if they so desire. Techno-commercial comparative statement will be prepared by Divyasampark and put it in front of PC for approval.
 - ii Two-bid system: For purchase with estimated cost of more than ₹ 30 lakhs two bid system (Part A: Technical Bid and Part B: Financial Bid in separate sealed envelopes to be opened at different instances) shall be followed. Technical bid will be opened by Divyasampark in the presence of bidders and indenter if they so desire. Technical comparative statement will be prepared by the Indentor/ PI. If required, the concerned PI/ indenter may obtain clarification/ document from bidders at the time of technical evaluation regarding any technical aspect(s) as per the enquiry letter/ tender document.
- d In case of inviting quotations by sending enquiry letters (under Limited Tender), a minimum period of 7 days' notice should be given.
- e In case of inviting tenders through Divyasampark website, a minimum period of 7 days' notice (after publication of the tender) should be given and minimum 2 weeks in case of Global Tender. In the enquiry letter the firm may be asked to enclose copies of the last two supply orders for the same item as a justification for reasonability of rates.
- f In case of purchase of special/ sophisticated equipment, costing above ₹ 30 lakhs, a performance bank guarantee or Bank Draft or FDR pledged in favour of **CEO, Divyasampark iHub Roorkee For Devices Materials and Technology Foundation**, for an amount equal to or more than 5% of the cost price for the duration of the warranty period plus sixty days will be taken from the supplier/ Indian Agent. However, PC can waive off this obligation under special cases where reputed OEM is present.
- g A fixed amount as Earnest Money Deposit (EMD in the form of Bank Guarantee or Bank Draft or FDR pledged in favour of **CEO, Divyasampark iHub Roorkee For Devices Materials and Technology Foundation**, should be demanded from the firms and should be mentioned against specification of each item/equipment whose estimated cost is above ₹ 30 lakhs. The amount of EMD, Valid 45 days beyond the validity period of bid, will be determined at the time of inviting quotations/ tenders, by Divyasampark on case to case basis, which will not be less than 2% of the estimated cost of the purchase. However, PC may waive off the EMD for higher amount purchase and in case of reputed OEM & MSME.
- h All the terms, conditions, stipulations and information to be incorporated in the bidding document are as per IIT Roorkee.

16. Approximate quantities may also be mentioned and the firms should be asked to give samples along with the quotations/ tenders, wherever possible/ necessary. The descriptive literature, if available, should be enclosed with the quotations/ tenders.

17. If the estimated cost of equipment is more than ₹ 25 lakhs, tender bids shall preferably include AMC for a period of minimum three years. This is based on PC recommendation.

18. The tenders and quotations can be accepted in email. However, bidders may also send the same by couriers, speed post or equivalent.

19. Procedure for Opening Quotations:

i Preferably the GST number should be given on the quotation of each firm; however, this will not be mandatory. In case any change towards GST or other statutory levy is claimed by the firm, the registration number for the same should be available on the bill/ invoice.

ii In case of purchase of an item under single tender enquiry, the quotations through e-mail/fax from the manufacturer may also be considered. But the proof of e-mail requesting the rate of the propriety item must be placed in the purchase file.

iii In case of two bid system, the Financial Bids will be opened after Tech Bids are approved by the PC, on the due date and time by Divyasampark in the presence of the indenter and the technically qualified vendors, if they so desire. The date of opening the Financial Bid will be informed to the technically qualified bidders and the indenter well in advance. The Financial Comparative Statement will be prepared by Divyasampark and sent to Indentor/PC for vetting & CEO for signature and approval.

20. Procedure for Processing the Purchase Cases

i In case of purchase with estimated cost of more than ₹ 1 Lakh and upto ₹ 15 Lakhs, less than three valid quotations can be considered for opening of bids as well as further processing of the purchase case. However, the concerned PC have to certify the price reasonability with appropriate justification.

ii In case of purchase with estimated cost of more than ₹ 15 Lakhs minimum three valid quotations are required. If the number of quotations received against an enquiry letter/ tender notice is less than three, quotations have to be re-invited by Divyasampark after the specific recommendation of indenter to do so. Any other approval is not required. However, if the number of quotations received is still less than three after retendering, Divyasampark should process the purchase on the basis of these quotations with specific justification by the concerned PC.

iii If the number of quotations/ bids received against open tendering (through newspaper) is less than three, the purchase case can also be processed with specific justification by the concerned PI/ Indenter.

iv Negotiation normally may not be held. However, whenever necessary may be held with the lowest bidder only with the approval of competent authority.

21. Processing the Purchase and Placing the Orders by the Divyasampark

i Divyasampark will prepare and submit the purchase proposals in the prescribed format and will get it vetted from the Indenter. Then the case will be forwarded to the Internal Audit Section for pre-audit. After preaudit the case will be forwarded to competent authority/ approving authority for approval. However, purchase cases below ₹ 15 lakhs need not be pre-audited by Internal Audit Section.

ii The purchase order will be prepared by Divyasampark on the basis of the duly approved Purchase Proposal.

iii The Purchase Order will be sent to the eligible firm on its address by post/ mail by Divyasampark. A copy of the Purchase Order will be sent to the concerned Indenter/ PI for information.

iv In case of import, the copy of the Purchase Order will be sent to the Clearing Agent. Divyasampark will take necessary action about the advance to be sent to the Clearing Agent for clearing goods from the customs office to avoid demurrage and sending the same to the concerned Indenter.

v On receipt of written request/ necessary documents from the firm/ clearing agent, the Divyasampark will process the file for issue of all types of certificates e.g. Customs Duty Exemption/ Excise Duty Exemption/ Trade Tax Declaration etc., under the signature of the CEO of Divyasampark.

vi No formal order is required to be placed for purchases upto ₹ 1 Lakh and online purchases as mentioned in section 2 point ii.

22. Repeat order:

Repeat purchase order may be placed by the Divyasampark subject to the following conditions:

- a Within a period of 120 days of placing the original order or 45 days of receiving supplies against the original order, whichever is later.
- b With no change in rates as well as terms and conditions of supply.
- c For purchases on the basis of limited/ open tender inviting quotations but not through LPC.

- d Divyasampark will not place more than five repeat orders and the amount or number of items shall not exceed that of the original order.
- e No repeat order will be placed if buy-back is involved in the purchase.

23. Goods Receipt and Processing of Bill:

- a. On receipt of goods by the concerned Indenter as per Purchase Order along with packing slip, bills in duplicate / triplicate etc., necessary entries will be made by Divyasampark and VH for each unit in the stock register. The bill for payment along with necessary documents, installation certificate etc. will then be sent by the indenting department to Divyasampark for necessary checking and forwarding to the Finance & Accounts Section of Divyasampark for payment.
- b. In ease of short supply/ any damage / supply is not found as per Purchase Order, the indenter/ VH will inform in writing to CEO, Divyasampark who will request the firm to rectify it within a suitable time otherwise the matter will be referred to Legal Cell for further necessary action.

24. Payment Term:

- a. In purchase generally, the payment is after delivery and installation (Wherever installation is required).
- b. For the purchases having FOR/ destination, 100% payment on receipt and acceptance of goods/ service by the indenter subject to production of relevant documents.
- c. For the purchases having FOR/ destination and involving installation and commissioning by the supplier, 80 % payment on receipt and acceptance of goods/ service by the indenter and balance 20 % on successful installation and commissioning by the supplier and acceptance by indenter.
- d. Advance payments to supplier: Ordinarily, payments for supplies/ services should be released only after the services have been rendered or supplies made. However, it may become necessary to make advance payments in the following types of cases:
 - i Advance payment demanded by firms for supplying equipment/ services etc., up to 100% advance amount against 110 % Bank Guarantee may be allowed.
 - ii Advance payment demanded by firms holding maintenance contracts for servicing of air-conditioners, computers, other costly equipment/ construction etc. against fabrication contracts, turnkey contracts etc. Such advance payments should not exceed the following limits:
 - Thirty percent of the contract value to private firms.
 - Forty percent of the contract value to a State or Central Government agency or a Public Sector Undertaking;
 - iii In case of maintenance contract, the amount should not exceed the amount payable for six months under the contract.
 - iv Competent authority may relax the ceilings (including percentage laid down for advance payment for private firms) mentioned above.
 - v While making any advance payment as above, adequate safeguards in the form of bank guarantee etc. should be obtained from the firm as per point (i) above.

- vi 100% advance payment without any bank guarantee in case of software, licenses, fabrication & specific instruments with the approval of competent authority on the recommendation of PC and CEO Divyasampark in case of reputed firms only.
 - vii Payment of demurrage: Upto 20,000/- may be approved by Indentor/PI. For higher amounts approval of the competent authority is required.
- e. However, Government firms or public sector undertakings may be exempted from providing the bank guarantee. But for public limited firms having an annual turnover of Rs.500 crores or more the requirement of bank guarantee may be waived-off by the competent authority if the payment involved is upto Rs. 25 lakhs.
- f. Any additional payment in the Bill/ Invoice on account of revision of taxes/ duties may be considered by Divyasampark, provided it is as per the terms and conditions of purchase order.
- g. Payment to Foreign Supplier: .
 - i All Letters of Credit will be opened by Divyasampark against the purchase orders and grant (plan/ project/ miscellaneous) allocated to the concerned PI.
 - ii Payment can also be made by sight draft/ Bank Transfer/ Wire Transfer after receipt of material in good condition.
- h. Payments to Govt./ Public Sector Undertaking/ Organization: The terms of payment to the Govt./ Public Sector Undertakings/ Organizations/ Company will be as per the terms and conditions given by them in their quotation/ proforma invoice/ rate list/ rate contract. 100% advance can be made to such organizations along with the order if it is in the terms and conditions of the said organization.

25. General Rules:

- a. Liquidated Damage (Late Delivery): There should be a suitable provision in the terms and conditions of a contract/ purchase order 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.

A penalty of 0.5% of the delivered price of the delayed goods for each week subject to a maximum of 5% (five percent) of the delivered price is to be incorporated in the terms and conditions of the purchase order. Delivery period shall include supply of the item in good condition and satisfactory installation. Any request for extension of time by vender (with specific reasons) should be carefully reviewed and approved by PC. No approval is required for extension of time from competent authority. Any delay in fulfillment of the requirements for paying the bills shall be counted under penalty clause. Divyasampark will pass bills for payment only after receipt of report of the concerned PI/Indentor regarding supply in good condition, satisfactory installation and performance by the firm as per the terms and conditions of the purchase order.

- b. The "buy-back" for purchase through quotation/ tender or through rate contract for supply of equipment and systems including personal computers, refrigerators, air-conditioners, photocopy machines, data projector etc. is admissible. While inviting quotations/ tenders or proposal for rate contract, the supplier/ vendor will be asked to quote rates and other terms for 'buy-back' of existing equipment/ systems. However, the following conditions shall apply:
 - i. In case of computers, system should be at least three years old.
 - ii. In case of photo-copier machines, a machine should be at least seven years old or five lakhs of copies should have been generated on the old machine.
 - iii. In case of refrigerators and air-conditioners, they should be at least seven years old.
 - iv. Un-serviceable/ beyond repair items
 - v. Cost of operation and maintenance is high
- c. The points, which are not covered by the purchase rules of Divyasampark, will be as per the GFR of the Government of India.
- d. Any matter not covered by these rules and GFR may be referred to the Board of Directors.
- e. These rules may be revised as and when required with the approval of HGB.