

OFFICE OF THE REGISTRAR
INDIAN INSTITUTE OF ENGINEERING SCIENCE AND TECHNOLOGY, SHIBPUR
(Formerly BENGAL ENGINEERING AND SCIENCE UNIVERSITY, SHIBPUR)

P.O. Botanic Garden
Howrah - 711103
West Bengal, India

Phone : (033) 2668-4561
(033) 2668-1503 (O)
Mobile: 9874222228
Fax : (091)-(033)-2668-2916
e-mail : regis@becs.ac.in

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ORDER

This is for information to all concerned that the Executive Council in its 46th meeting held on 29.09.2014 (Resolution No.46.1AA.01) approved the resolution of the Emergency Meeting of the Finance Committee held on 28/08/2014 regarding new purchase rules and purchase procedures and delegation of financial power of the Institute. Therefore, the Purchase Rules and Procedures including delegation of financial power is being sent to all for information and necessary action.

This will take immediate effect.

Sd/-
(Biman Bandyopadhyay)
Registrar

Copy forward for information and necessary action :-

- 1) The Director, IEST, Shibpur
- 2) All Deans
- 3) The Director (R & C)
- 4) All Heads of the Departments/Directors of Schools/Heads of the Centres
- 5) PICSA
- 6) All Officers
- 7) Shri Shib Sankar Basak, Assistant Registrar - with a request to place it before EC for noting.
- 8) Shri Tarun Paul, Personal Assistant
- 9) Record Section
- 10) Institute Website

Encl. As stated.

W 21/10/14
Registrar

Indian Institute of Engineering Science and Technology, Shibpur



Indian Institute of Engineering Science and Technology, Shibpur

(formerly Bengal Engineering and Science University, Shibpur)

Howrah – 711 103

PURCHASE RULES & PROCEDURES

(Approved by the Finance Committee & Executive Council
in its meeting held 28.08.2014 & 29.09.2014 respectively)

INTRODUCTION

This manual is a guideline and all purchases are to be regulated as per procedure laid down therein. However, in some specific cases, it may become necessary to arrange materials by adopting methods not indicated in the manual. In such case, specific approval of the Director will have to be obtained before initiating such action, detailing the reasons as to why procurement becomes necessary not as per the guidelines of the Purchase Manual.

Clause 8.3 (v) (A)

1.0 GENERAL

Every authority delegated with the financial powers of procuring goods and services in public interest shall have the responsibility and accountability to bring efficiency, economy, transparency, in matters relating to public procurement and for fair and equitable treatment of suppliers/service providers and promotion of competition in public procurement. Every authority is expected to exercise the same vigilance in respect of expenditure incurred from public money as a person of ordinary prudence would exercise in respect of expenditure of his own money.

1.1 Definition

Department: The term Department used here includes Department/ Centre/ School/ Central Facilities (Library, Workshop, etc.)/ Office Units.

Head of the Department: The authority designated as Head of the *Department*.

Fund: Fund available for utilizations, including Institute Fund, Project Funds, Consultancy Funds, Testing Fee Fund, Donations, Sponsorship, Collected Funds, etc.

Purchase: The term Purchase used here includes purchase of Equipment, Instruments, Software, Furniture, Fixture and Items for Stores. It also includes Execution of Works, Maintenance Works and Hiring of Services. Rules described here are applicable to any such purchase to be made by the *Department* from the available *Funds*, but excludes purchase of books, journals and learning materials to be made by the Central Library.

Purchasing Authority: This term describes an Assistant Professor/Associate Professor/Professor/Officer or any other person having the authority to purchase. Financial limits of a purchasing authority are mentioned in section 3.1.

1.2 Classification of Stores

All stores to be procured shall be classified into three categories viz, Non- Consumable Stores (NCS), Limited Time Asset Stores (LTAS) and Consumable Stores (CS).

A. Non-Consumable Stores (NCS): Stores satisfying any one of the following conditions shall be classified as non-consumable stores:

- stores which are intended to be used over prolonged periods before becoming unusable, or obsolete,
- stores having a significant disposal value,
- stores which are sub-systems, or parts of an equipment, which can be potentially repaired and reused, and
- stores which are either fabricated, or assembled equipment, and which if bought as a single item would have been classified Non-Consumable Stores.

All non-consumable stores have to be entered into the Asset Register of the Institute and the NCS Stock register of the appropriate Department.

Examples: (examples are indicative and not exhaustive) plant machinery, equipment, fabricated equipment, instruments, assembled instruments, motors, gas cylinder, workshop machines, furniture and books etc.

B. Limited Time Asset Stores (LTAS): Stores satisfying any one of the following conditions shall be classified as LTAS.

- 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
- stores which can be upgraded either by replacing components/parts or which can be rendered obsolete by the release of new versions or editions.

All LTAS shall be entered into the Limited Time Asset Stores Register of the Institute and in a separate Limited Time Asset Stock Register in the appropriate Department.

Examples: (examples are indicative and not exhaustive) Computers, disk and other peripherals drives which are computer accessories, software, printers, monitors, UPS, telephones, mobile etc.

C. Consumable Store (CS): Stores satisfying any one of the following conditions shall be classified as CS:

- stores which exhaust with lapse of time,
- stores which are rendered unusable due to normal wear and tear,
- stores which do not have significant disposal value, and
- spares of equipment which do not fall either in the NCS or LTAS category.

The CS shall be entered in the CS Stock register of the appropriate department. For projects, the CS shall be entered in the CS Stock register for the project.

Examples: (examples are indicative and not exhaustive) chemicals, medicines, stationery items, printer ribbons and cartridges, pen drive, floppies, CD ROMs, magnetic tapes, chips and electronic components like resistors, capacitors, connectors etc, electrical components like wire switches, plugs, bulbs, cells, tool-bits and hand tools etc.

If the spares are purchased for fabricating or manufacturing any equipment, such spares are to be treated as Non Consumable items. However, if a spare is purchased to replacing any spare of an equipment, such spare be treated as CS, provided such spare do not have any replacement value.

In case of a dispute regarding the classification of an item, the decision of Director shall be final.

2.0 PURCHASE PROCEDURE

2.1 Purchase Value up to ` 10,000

Purchase upto the value of ` 10,000/-on each occasion may be made directly from the market/authorized dealers/ resellers/ enlisted vendors of the University (after ensuring that the price is reasonable). In such cases, the purchasing authority will provide a certificate in the following format:

—
"Certified that the goods purchased are of the requisite quality and specification, and have been procured **from the open market at a reasonable price.**"

(Signature of the Purchasing Authority)

(Signature of the Head of the Department)

Note: i) Total value of such purchase shall not exceed 25% of the annual budget allocated to the department/project.

ii) This procedure should not be followed by splitting a purchase value higher than ` 10,000/-.

iii) The purchasing authority may also follow the purchase procedure mentioned in section 2.2.

2.2 Purchase Value above ` 10,000 and up to ` 1,00,000

Any purchase costing more than ` 10,000/- and up to ` 1,00,000/- on each occasion, shall be made on the recommendations of the Departmental Purchase Committee. In order to ensure reasonability of the prices and quality, the department shall obtain quotations from at least four reliable firms/ resellers/ vendors/ suppliers. Notices for such purchase shall be displayed in the departmental notice board, central notice board under the control of the Registrar and in the University Website. Quotations shall be opened in presence of the willing firms/ resellers/ vendors/ suppliers or their agents. The quotation which is technically responsive and having the lowest price quote shall normally be selected. While recommending the selected firms/ resellers/ vendors/ suppliers after verifying the rules followed, the Departmental Purchase Committee will provide a certificate in the following form:

—
"Certified that the goods recommended for purchase are of the requisite specification and the supplier recommended is reliable and competent to supply the goods in question."

(Signatures of the Members of the Departmental Purchase Committee)

2.3 Purchase Value above ` 1,00,000 and up to ` 10,00,000

Open tender shall be invited for purchase above ` 1,00,000/- and upto ` 10,00,000/-. Splitting of indents, in order to bring it outside the ambit of open tender method is strictly prohibited. Purchasing department shall prepare the tender specification; and publish in the departmental notice board, University Website and i) a brief referral advertisement in one daily Bengali newspaper for purchase value up to ` 5,00,000; or ii) a brief referral advertisement in two daily newspapers, one each in Bengali and English, for purchase value above

₹ 5,00,000 and up to ₹ 10,00,000. Minimum period for submission of tender from the date of publication is seven working days.

[Note: Brief referral advertisement will contain only certain title information such as name and location of the scheme, last date for submission of tender, names of the websites where details are available].

Tenders shall be opened in presence of willing bidders/agents. Selection of bidder shall be made from the technically responsive bidders. Usually the technically responsive bid with the lowest rate is to be selected. In cases where the lowest bid is not accepted, reasons should be recorded.

If the number of bids received is less than three, tender should be invited afresh. During re-tendering, efforts should be made to inform maximum number of prospective bidders. In case of sophisticated and specific scientific/engineering equipment, if the number of bids received is again less than three against re-tendering, the department may constitute an expert committee comprising departmental and external experts to examine the requisite technical specifications, price, suitability of the equipment offered in bid and may recommend accordingly.

Central Purchase Committee will recommend the selected bidder and purchase price, based on the Tender Process followed and the recommendation of the Departmental Purchase Committee.

2.4 Purchase Value above ₹ 10,00,000 and up to ₹ 50,00,000

For high-value purchase exceeding ₹ 10,00,000 and up to ₹ 50,00,000 for purchasing plant, machinery, etc. of complex and technical nature, Tenders may be invited in two parts under two-bid system: i) Technical bid and ii) Financial bid. Tender notice should be given in the departmental notice board, University website, and also brief referral advertisement in three daily newspapers, one each in Bengali, English and Hindi. Minimum period for submission of tender from the date of publication is 14 working days.

The technical bid will consist of all technical details along with commercial terms and conditions; whereas the financial bid will indicate item-wise price for the items mentioned in the technical bid. The technical bid and the financial bid should be sealed by the bidder in separate cover duly superscribed. Both these two sealed bids are to be put in a bigger cover which should also be sealed and duly superscribed. At first, the technical bids shall be opened and evaluated by the Departmental Purchase Committee. Then, financial bids of only the technically acceptable offers shall be opened and evaluated for finalizing the ranks of the bidders. The technically qualified bid with the lowest rate shall be accepted.

Tenders shall be opened in presence of willing bidders/agents. If the number of tenderers/bidders qualified in the technical bid is less than three, tender should be invited afresh. If the number of bids received is again less than three against re-tendering, the department may constitute an expert committee comprising departmental and external experts, to examine the requisite technical specifications, price, suitability of the equipment offered in bid and may recommend accordingly.

Procurement shall be finalized by the Central Purchase Committee, based on the Tender Process followed and the recommendation of the Departmental Purchase Committee.

2.5 Purchase Value above ₹ 50,00,000

When purchase value exceeds ₹ 50,00,000/-, e-tendering through the Institute's e-Tender Portal is mandatory, in addition to publication in print media in three daily newspapers, one each in Bengali, English and Hindi. Minimum period for submission of tender from the date of publication is 21 working days. Tendering and procedure for selecting successful bidder will be as mentioned in section 2.4.

Until a full-fledged system for e-procurement is developed by the University, the department may receive quotations through hard copies as well as by e-mail, provided the quotations received via e-mail shall be included only when a hard copy duly completed in all respects is received from the concerned tenderer before the date of opening of the bid. It is in this context that all departments/sections/centers are advised to display all enquiry letters on the Institute website and notice board of the concerned departments/sections/centers so that the registered firms are able to submit their quotations to the concerned department within the specified period. After finalization of the e-procurement system Institute will implement the same.

Process of selecting the successful bidder will be the same as mentioned in section 2.4.

2.6 Single Tender Enquiry (Proprietary Items)

Procurement of goods from a single source may be restored in the following circumstances:

- i) It is in the knowledge of the user department that only a particular firm is the manufacturer of the required goods or proprietary item(s).
- ii) In case of emergency, when the required goods are necessarily to be purchased from a particular source [Reasons for such decisions is to be recorded and prior approval of the competent authority be obtained before effecting the purchase].
- iii) For standardization of machinery or spare parts to be compatible with the existing set of equipment, the required item is to be purchased only from a selected firm.

In such cases, the indenter should provide a certificate that the price quoted by the firm is reasonable and the same is a proprietary item.

Purchase of items of a proprietary nature can be done on the basis of a single quotation irrespective of the value of the item. However, in such cases, a proprietary certificate must be obtained from the supplier stating that they are the only/authorized source of supply/manufacture.

For replacement of small value spare parts of an already existing equipment, if a proprietary certificate is not available from the supplier, the members of the Departmental Purchase Committee shall furnish a certificate in the following format for acceptance of single tender -

—

"Certified that the parts recommended for purchase are of proprietary in nature, of requisite specification and quality, and the recommended supplier is reliable and competent to supply the goods in question."

(Signatures of the Members of the Departmental Purchase Committee)

—

If the purchase value is more than ` 1,00,000/-, recommendation of the Central Purchase Committee is to be obtained before placing the order.

2.7 Repeat Orders

For procurement of same items, repeat orders may be placed upon, subject to the following conditions: -

- i) There can be no change in the rate, specification, as well as terms and conditions of supply.
- ii) The repeat order shall be placed within 90 days from the date of the quotations.
- iii) It should be ensured that there is no significant reduction (less than 10%) in the cost of the item(s) as on the date of placing the repeat order.
- iv) There should be no buy-back involved in the purchase process.

2.8 Purchase of Rate Contract Goods

In respect of all goods covered under the Rate Contracts (RC) concluded by the Directorate General of Supplies & Disposals (DGS&D) and National Informatics Centre Services Incorporated (NICSI), the purchaser may procure these items by placing direct orders on the firms on single quotation basis. However, the selected firm has to furnish the latest DGS&D rate contract copy. Before placing the order, recommendations are to be obtained from the Departmental Purchase Committee/ Central Purchase Committee, as appropriate.

2.9 Purchases under Buy-Back Scheme

If any item is purchased under buy-back scheme for another old item, quotations are to be invited, clearly mentioning the specification of old and new items asking the buyback offer from the vendors. After selection of the vendor and the price following the procedure mentioned in previous sections (2.2 to 2.6), a buy-back report is to be filled up for the old item(s), signed by all members of the Departmental Purchase Committee/ Central Purchase Committee, and finally to be sent along with purchase indent. It is to be mentioned in the report the mode of disposal of the item(s) being given to the firm under buy back scheme.

2.10 Purchase of Books and Learning Materials for Library

Since a particular book, or journal or a learning material is published by a particular publisher, procedure mentioned in section 2.2 is not applicable. However, since these are supplied by the authorized distributors/ book-sellers of the publisher, selection of a particular distributor/ book-seller should be based on the availability of maximum discount (at least equal or higher than the rate prescribed by the Institute) on the price of the book. In case of journals and learning materials, quotations from the publisher/authorized agent shall be obtained, and the order may be placed after getting the recommendation from the Departmental Purchase Committee/Central Purchase Committee, as appropriate.

Clause 8.3 (v) (B)

3.0 DELEGATION OF FINANCIAL POWER

The following table gives the financial limits up to which the concerned person has authority to approve purchases within the allocated budget of the department/project. 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.

Sr. No	Competent Financial Authority	Non-Consumable (NCS)	Limited Time Asset Store (LTAS)	Consumable Store (CS)	Temporary Contingent Advance for equipment
1	Registrar/Head of the Department/ Head of the Office/ Project Investigators (for project purchase only)	2,00,000/-	1,00,000/-	50,000/-	5,000/-
2	Deans of Faculties / Director (Research & Consultancy) - for project purchase only	10,00,000/-	5,00,000/-	2,00,000/-	1,00,000/-
3	Director	All cases	All cases	All cases	All cases

Notes:

1. All purchases of furniture should be done through Furniture Section.
2. The above limits apply to indigenous purchase as well as import. For the purposes of imports the Indian Rupee equivalent of the foreign currency on the date of sanction should be considered.
3. All temporary contingent advances shall be adjusted as per the guidelines approved by the EC/BOG
4. The financial and sanctioning powers as given above are approved by EC/BOG and can be revised by the EC/BOG from time to time.
5. For the purposes of this manual, Acting HOD and Acting Director (Research & Consultancy) shall exercise the same financial powers as the incumbent unless decided otherwise by the Director.

4.0 PURCHASE PROCEDURE**4.1 Purchase Values above ` 10,000 and up to ` 200,000**

- i) The purchasing department will prepare the specification, receive quotations/tenders as appropriate and recommendations of the Departmental Purchase Committee/ Central Purchase Committee as appropriate.
- ii) The purchase order to be placed upon shall be signed by the Head of the Department.

4.2 Purchase Values above ` 200,000

- i) The purchasing department will prepare the specification, receive quotations/tenders as appropriate and recommendations of the Departmental Purchase Committee/ Central Purchase Committee as appropriate.
- ii) The purchasing department will obtain approval for purchase from the competent authority as follows:

Purchase Value	Approving Authority
a) Departmental Purchase: Above ` 2,00,000/- and Up to ` 5,00,000/-	Deans of Faculties
b) Purchase from Project fund etc.: Above ` 3,00,000/- or ` 5,00,000/- and up to ` 10,00,000/- (Ref. Section 3.2, sl. No. 3)	Director of Research and Consultancy
c) Departmental Purchase: Above ` 5,00,000/- and Up to ` 25,00,000/-	Director
d) Purchase from Project fund etc.: Above ` 10,00,000/- and up to ` 25,00,000/-	Director
e) Any purchase above ` 25,00,000/-	Executive Council

- iii) The purchase order to be placed upon shall be signed by the Registrar of the Institute.

NOTES

Note- 1: In case of purchase valued above ` 2,00,000/- made by the Deans, Registrar, Finance Officer, Controller of Examinations, Librarian, Head of HRM, PICSA and Head of other non-academic department, the proposal shall require prior approval of the Director.

Note-2: No new construction work shall be undertaken without the prior approval of the Building Committee and the Director.

Note-3: In cases, where the purchase value marginally exceeds the limiting values mentioned in sections 2.1 and 2.2, Head of the concerned Department will seek the approval of the Director for procurement of the same, indicating the specific requirement of the said procurement.

Note-4: In exigencies or in special cases (hiring agencies/manpower, field works, service of experts, etc.) where procedure mentioned in section 2.2 or 2.3 cannot be followed/difficult to follow, Head of the concerned Department is to obtain special approval from the Director through proper channel, clarifying the reasons of such difficulties.

Note-5: For further clarification, if any, the related purchase procedure of the West Bengal Financial Rules shall be followed.

5.0 COMPOSITION OF DIFFERENT COMMITTEES

5.1 Departmental Purchase Committee

A. Academic Departments

1. Head of the Department ... Chairman
2. Two Faculty Members from the concerned department, nominated by the Departmental Academic Committee, for a period of two years ... Member
3. One Faculty Member from other department nominated by the Departmental Academic Committee for a period of two years ... Member

4. Secretary, Departmental Academic Committee ... Member (Ex-officio)
5. Project Investigator/ Program Co-Ordinator (in case of Research ... Invited Member
Projects, Consultancy, Workshop, Seminar etc.)

Note: In the meeting, presence of Faculty Member of other department and Secretary, Departmental Academic Committee is mandatory.

B. Non-Academic Departments (Deans/Registry/Finance/Examination/Library/ PICSA/ HRM/ etc.)

1. Head of the Office ... Chairman
2. Audit Officer ... Member
3. Two Officers nominated by the Head of the Department: one from ... Member
the concerned department and one from other department, for a
period of two years
4. One Staff member from the concerned department nominated by ... Member
the Head of the Office, for a period of two years

Note: In the meeting, presence of Audit Officer is mandatory.

5.2 Central Purchase Committee

1. One Professor nominated by the Director for a period of three years ... Chairman
2. Registrar ... Member
3. One Professor nominated by the Director for a period of three years ... Member
4. Finance Officer ... Member
5. Audit Officer
6. Purchase Officer(Nominated by the Director) ... Convener
7. One external Expert in the relevant field nominated by the Director ... Member
(for purchase value of Rs.10,00,000/- and above)
8. Concerned HOD ... Member
9. Project Investigator/Program Coordinator (in case of Project/ Consultancy/ ... Invited Member
Workshop etc.)

Note: In the meeting, presence of Finance Officer/Audit Officer is mandatory.

5.3 Central Works Committee

1. One Professor Nominated by the Vice Chancellor for a period of three years ... Chairman
2. Registrar ... Member
3. Three Professors (one from Civil Engg., one from Electrical Engg and one ... Member
from Architecture & TRP) nominated by the Director for a period of three
years
4. Finance Officer ... Member
5. Audit Officer ... Member
6. University Engineer ... Convener

Note: In the meeting, presence of Registrar, Finance Officer/Audit Officer and at least one Professor member is mandatory.