

FREQUENTLY ASKED QUESTIONS (FAQs) ON PROCUREMENT AT IITGN

1. Who should be my first point of contact to start the purchase procedure?
 - If the purchase is from Institute (Main) Fund, you may contact your Discipline Coordinator regarding availability of budget and in case of purchase is from Project & Consultancy/ R&D fund, you may contact R&D section. Once the availability of funds is ensured, you may fill the PPRF (indent), get it approved and submit to MM Section for procuring the item.
2. Is there a manual wherein the rules and guidelines for purchase procedure are mentioned?
 - Yes, these are available at the Institute's Internal Web Site (IWS) under the heading 'Stores & Purchase Manual'.
3. Do I need a tender for procuring any item?
 - Purchase of any item upto Rs.50,000/- can be done directly.
 - Purchase between Rs.50,000/- to Rs.1,50,000/- can be done through Local Purchase Committee (LPC).
 - Purchase costing more than Rs.1.50 lakhs need to be procured by initiating tender process.
4. Is it possible for me to buy an item and then claim the money back?
 - It is discouraged to buy any item from own money. However, whenever necessary, small purchases may be done with prior concurrence of the financial authority.
5. How and by when should advance for procurement of an item be settled?
 - The advance or part payment of any item is to be settled immediately after receipt/installation but not later than 30 days.
6. What is "Two-bid system" in a tendering process?
 - Two-bid system, is a tendering process where the bidders are asked to submit their bids in two parts i.e, technical (pertaining to eligibility and technical specifications) and financial bids separately. Financial bids of only those bidders are opened who qualify in technical bid evaluation.
7. Within what time frame can I place a repeat order?
 - The norms/conditions of Repeat Order as mentioned at Clause 6.4 of S&P Manual are appended below:
 - The repeat order can be made with no change in the rates, specifications as well as terms & conditions of supply.
 - The repeat order shall be placed within 120 days' time from the date of the quotations.
 - After ensuring that there is no significant reduction (more than 10%) in the cost of the item(s).
 - No repeat order will be placed if buy-back is involved in the repeat purchase.
 - Any amended order shall not be considered for repeat order.

8. When does a procurement file go to external and or internal pre-audit?
 - Any file involving procurement of cost between Rs.10.00 Lakhs to 25.00 Lakhs is audited by Internal Audit before PO/ payment.
 - All files related to major procurement (more than Rs.25.00 Lakhs) is audited by External Auditor.
9. Who and when is the purchase committee formed?
 - The purchase committee is formed after the tender is floated and before the opening of bids.
 - MM section requests the indenter to suggest the names of purchase committee, however, the committee is formed only after approval of the Competent Financial Authority (CFA).
 - While suggesting the names of committee members, it may be ensured that all members in the committee are not from same discipline. Also, inclusion of persons having close relation may be avoided.
10. Is procurement of an item through “single tender” and “Proprietary route” the same?
 - Procurement of a ‘Proprietary Item’ is reason/circumstances for which “Single Tender” Enquiry can be resorted to. Detailed norms of “Single Tender Enquiry” are appended below.
 - Procurement from a single source may be resorted to 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.
 - (ii) Property Certificate issued by the vendor is not valid - propriety is to be established by the indenter.
 - (iii) In a case of emergency, the required goods are necessarily to be purchased from a particular source and the reason for such decision is to be recorded and approval of competent authority obtained.
 - (iv) For standardisation 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.
11. Who maintains the asset register for entering the details post procurement of an item?
 - On receipt of the item the end user is to enter its details in their respective asset register and process the bill for payment after making annotation of such entry. Subsequently, MM section also enters the asset in the Central Asset Register maintained by it.
12. Can the tender process be cancelled at any stage?
 - Tender process cannot be cancelled as a routine manner. In case a tender is required to be cancelled in unavoidable circumstances, it should be proposed with detailed justification for approval of the CFA.
 - After approval of the CFA, MM section to issue notification of cancellation of the tender.

13. Should the entire committee members be present for technical opening and financial opening of the tender?
 - Ideally technical and financial bids are to be opened in the presence of entire committee. However, if it is not possible for all the members to be present, it is to be ensured that at least two members are present at the time of opening of technical and financial bids.
14. Can any terms of the tender be changed once the tender bids are received?
 - No, after opening of bids, no changes can be done in any clause of the tender document.
15. How do I introduce changes in the technical specification once the technical bid is live?
 - In rare circumstances, if the need arises to do any modification in the tender document, the same can be done with approval of the competent authority and announcing in the public.
 - However, in case the tender document is modified then the last date of bid receiving has to be extended to give opportunity to possible bidder to bid for the subject tender.
16. Can price negotiations be made with the lowest vendor?
 - Price negotiation, if required, is to be done ONLY with L-1 bidder. Prior concurrence of the CFA is to be obtained before entering into any price negotiation.
17. Can PO once issued, be amended?
 - In rare circumstances PO can be amended with approval of the CFA.
18. Can I modify the warranty period of any item during technical or financial evaluation after floating the tender?
 - In normal circumstances period of warranty can not be modified once tender is closed.
19. Actions required from end user once PO is issued:
 - Intimate MM section as soon as the item is received.
 - In case the item is not received within the stipulated time frame as mentioned in the PO, the end user should intimate MM section to initiate appropriate action.
 - Direct correspondence by indenter with vendor will not be encouraged. In case, if it is necessary, all correspondence should be done keeping in loop with M&M office.
 - On receipt of item and invoice, and after its installation payment voucher is to be initiated by end user within a week time.
20. Can I waive the late delivery penalty to any bidder?
 - No, end user can not waive late delivery penalty. If in the knowledge of end user, the delay is justified, he/she may recommend for waiver of late delivery penalty for approval of the CFA.

PROCUREMENT PROCESS

Note: Before starting any procurement process, the indenter must check if he/she has budget/funds to buy the item/equipment.

Sr. No.	<u>Process / Step</u>	<u>Action By & Expected Time</u>	
		Action By	Time (Days)
1	Indent / PPRF received	Indenter	00
2	Preparation of Draft Tender Document and forwarding it to the Indenter for confirmation	MM Section	07
3	Tender Documents to be returned by the Indenter after Review	Indenter	05
4	Tender document to be uploaded on institute's website on receiving confirmation from the indenter	MM Section	02
5	Bid(s) receiving time / period + In case need arises to extend the date due to non-receipt of minimum three bids	MM Section	28 + 30
6	Technical bid(s) opening	Committee	04
7	Submission period for Technical report by the indenter	Committee	10
8	Notification to be uploaded for financial bid(s) opening	MM Section	05
9	Financial bid(s) opening	Committee	02
10	Preparation of Financial report(s) after opening Financial bid(s)	Committee	05
11	Planning of negotiation meeting with L-1 bidder, conduct negotiation and get the revised quotation from the Bidder	Committee	15
12	Preparation of Final Financial Evaluation Report (after negotiation)	Committee	05
13	Preparation of Sanction sheet	MM Section	05
14	Internal audit (If procurement value is more than Rs. 10 Lakh)	Internal Audit	03
15	External audit (If procurement value is more than Rs. 25 Lakh)	External Auditor	03
16	Obtaining Approval of the competent financial authority	MM Section	02
17	Issuing period of P.O. on receiving approval	MM Section	01
	Total :		102 + 30