

SRM UNIVERSITY – AP, ANDHRA PRADESH

SRMAP / Reg. Off / Policies / 20 / 2023–24 22nd December 2023

PROCUREMENT POLICY of SRM UNIVERSITY – AP

1) Objective

- a) To ensure the right item of requisite quality is made available in adequate time and quantity Procured/Purchased at right price in accordance with the administrative and accounting procedures.
- b) To define procedures including authority and responsibilities thereof in such a way that will facilitate the purchase department and the user departments to meet following objectives.
 - i) To purchase materials within the sanctioned budget most economically and keeping guard of quality and delivery schedules.
 - ii) To ensure proper delegation of responsibility and accountability so as to bring in required efficiency, economy and transparency in procurement.
 - iii) To maintain constant touch with the market conditions and explore possibilities of identifying new sources of supply at competitive rates.
 - iv) To ensure equitable treatment of suppliers and promotion of healthy competition in procurement.
 - v) To process the suppliers' bills promptly to ensure correct and timely payment.
 - vi) To Maintain the records of all procurements that shall be subject to audit.
 - vii) To ensure provisioning of goods and services as per the requirement of the user.

2) Approval Procedure

- a) For any purchase up to Rs. 5,00,000/- the approving authority will be as per the table below.
- b) The University Purchase Committee (UPC) will be convened for purchase of value greater than Rs. 5,00,000/-. The recommendation of UPC would be forwarded to the Pro Chancellor for approval.



Category	(Approval Matrix) (Value Range in INR)				
	Up to 50K	50K - 1.5L	1.5L - 2.5L	2.5L - 5L	>5L
Academic Schools (SEAS, SLASS, PSB)	HOD	Associate Dean	Dean	Vice Chancellor	UPC & Pro Chancellor
Other Academic Departments (TLC, COE, Academic Affairs, Library, QAR)	HOD	Associate Dean	Dean	Vice Chancellor	UPC & Pro Chancellor
Non-Academic Departments Admissions, IR&HS, CR&CS, ITKM, Communications, Entrepreneurship, Alumni Affairs	HOD/ Assistant/ Associate Director	Director	Vice Chancellor	Vice Chancellor	UPC & Pro Chancellor
Non-Academic Departments HR, CLM, Students Affairs, Sports, Medical Center, F&A, Purchase, Administrative Offices	HOD/ Assistant/ Associate Director	Director	Registrar	Vice Chancellor	UPC & Pro Chancellor
University Seed Grant / Centre of Excellence	PI/HOD/ Coordinator COE	Associate Dean	Dean Research / Dean of School	Vice Chancellor	UPC & Pro Chancellor

External Funded Projects: -

Category	(Approval Matrix) (Value Range in INR)			
	Up to 50K	50K - 1.5L	1.5L - 2.5L	>2.5L
Sponsored and Industrial Consultancy Projects	PI/HOD/ Coordinator - Centre of Excellence	Assistant Dean Research	Dean Research	Registrar

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3) Procurement Classification

a) The Procurements are Classified into Asset, Consumables and Services.

Asset	Consumables	Service
<ul style="list-style-type: none"> Computers, Laptops, Printers, CCT's, Servers, Software's, Audio and Video Equipment, Networking Active and Passive Materials. Furniture, Office Equipment, Electronic Appliances, MEP Tools and Equipment, F&B Machinery and equipment, Vehicles. Books, Journals, Subscription of e-journals and e-databases Teaching Lab equipment and tools. Research Lab equipment and Tools. Medical Center Instruments, equipment etc., 	<ul style="list-style-type: none"> Teaching and Research lab Consumables, Chemicals and Equipment accessories, Administrative Office's accessories, Printing and Stationery, Souvenir's MEP accessories, Chemicals and Consumables, F&B Accessories and Consumables, Housekeeping Consumables, Vehicle's accessories, Spare parts, Tools etc., Computers peripherals, Networking accessories, Audio and Video accessories, Medical center Consumable, Tools, Medicine, etc., 	<ul style="list-style-type: none"> Branding & Promotional activities, Admission activities (Participated in Education fairs, Publish the adv in the newspaper, Magazine, YouTube channel, etc.,) AMC's and renewal of Software, Servers, Switches etc., TG charges Consulting Services – (Building, Certification Body, etc.,) Guest performers etc., Event's services – (Stage, Lighting, Audio and Video, Decoration, Security & House Keeping Services, Hiring the materials,) Vehicle's Service and Maintenance, Insurance etc., AMCs of MEP equipment, Wastage disposals service (Water, Paper, Metal Scrap etc.,)

The list is indicative only. An exhaustive list must be prepared by the Procurement Department.




4) University Purchase Committee (UPC)

a) Functions of University Purchase Committee (UPC)

- i) The University Procurement Committee will consider procurement of goods, equipment, machinery, and furniture etc., of more than Rs. 5,00,000/- and the centralized purchase of items which are required by Schools and Departments / Centres of Excellence.
- ii) UPC's recommendation will be placed before the Pro Chancellor for his approval.
- iii) It will decide periodicity of procurement of the repetitively needed items by fixing the minimum and maximum levels.
- iv) The UPC will evaluate relevant specifications and recommend standardization of items wherever felt necessary.

b) Constitution of University Purchase Committee (UPC)

- i) The following is the constitution of the University Purchase Committee:

Vice Chancellor	Chairman
Registrar/Nominee	Ex-Officio member secretary
Dean of School	Academic / University Seed Grant Representative
Dean Research	University Seed Grant / Centre of Excellence / Centre Facilities Representative
Director of respective Department	Non-Academic Representative
CFAO/Finance Department Nominee	Finance Representative
Procurement Manager/Person in Charge	Procurement Representative
Co-opted Member (s) by the Chairperson as required	

External Funded Projects: -

Registrar/Nominee	Ex-Officio member secretary
Dean Research	Sponsored Research / Industrial Consultancy Projects Representative

** Research Academic, Non-Academic representatives are only required to sit in the committee when concerned proposal is from their School / Department/ Centres of Excellence.*

5) Emergency Purchases

- a) Emergency or urgent purchases required to be made at short notice in the event of a breakdown, crisis, or urgent need, will be carried out up to an amount of Rs. 1,00,000/- only.

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- b) The consequences of the non-availability of the item shall also be spelt out in the requisition form.
- c) All such emergency purchases shall be approved and sanctioned by the Vice Chancellor of the University.

6) Rate Contract

- a) The Procurement Department may finalize a rate contract with the approval of the Registrar for Computer Accessories, Lab Chemicals, Consumables, Printing & Stationery, MEP Accessories and Consumables or any other Item/Service with various manufacturers, so as to offer a wider choice. Different rates may also be approved for any item depending on the specifications and quality of the item offered by different manufacturers. Tenders/Quotations for this purpose shall be called from manufacturers, credible vendors.
- b) Vendors with credibility & who have been a supplier to the University in the past with satisfactory performance should be considered first for this method of transaction.
- c) The established rate contracts will be reviewed once every Six months.
- d) The spending limit through the rate card mechanism is up to Rs. 1,00,000/-.

7) Quotations/Bids/Proposals & Regular Tendering Enquiries

- a) Purchase of goods above Rs. 50,000/- by the University will be done by calling quotations through e-mail/written enquiry/telephonic enquiry and placing formal Purchase/Service Order. At least 3 quotations need to be there. Based on the Comparative Statement of the quotations a decision should be made. Only under special provisions mentioned in the policy this process can be circumvented with the approval of Competent Authority.
- b) Open tender / Online bidding system should be preferred for procurement (INR > 50Lakhs) of common use items available commercially off the shelf from a wide range of vendors. The Open Tender / Online bidding System involves wide publicity through advertising media (Press, Trade Journals, Tender Portal, University Website).
- c) Enquiries must be floated to only verified vendors.
- d) Minimum number of enquiries and Minimum qualified quotations required from verified vendors.

Limit (INR)	Minimum No. of Enquiries	Minimum No. of Quotations/Proposals/Bids
<5L	3 Enquiries	3 Quotations/Proposals/Bids
>5L	4 Enquiries	4 Quotations/Proposals/Bids

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- e) If the number of verified suppliers in a database is less than the minimum number of enquiries to be floated, the User Department shall provide list of preferred suppliers to Procurement Department for performing due diligence and inclusion to database.
- f) In case of lesser than specified enquiries or qualified Quotations/Bids/Proposals, approval shall be sought from one level higher Competent Procurement Authority (CPA).

g) Single Vendor

- i) In certain instances, for customized or special requirements or OEM products, it is not possible to obtain competitive Quotations/Bids/Proposals. In such cases it will be treated as a single vendor with special approval from Competent Authority (**Registrar**).
- ii) In emergency situations, the selection of the vendor is at the discretion of the User Department due to Technical and Operational feasibilities, wherein in spite of the competitive Quotations/Bids/Proposals from similar Vendors/ Agencies, we have to proceed with the selected vendor. In such cases, the reasons, and justifications for the same need to be properly documented and approval from the Competent Authority (**Registrar**).

h) Confidentiality/Timeline of Quotations/Bids/Proposals

- i) In accordance with fair and sound business practice, all information supplied by the vendors in their Quotations/Bids/Proposals must be held in strict confidence and must not be divulged to any other vendor or authorized individual.
- ii) It is the responsibility of the Procurement Department to ensure that Quotations/Bids/Proposals are received within the stipulated timeline. The Quotations/Bids/Proposals received after the deadline or after the recommendations of the University Purchase Committee (UPC) will not be further considered.

8) Single Bid System

- a) For stores available commercially off the shelf (COTS) and Local Purchase (LP) items, where qualitative requirements and technical specifications are clear, a single commercial Bid system may be followed (limit up to 1 Lakh).
- b) This system may also be followed for other procurements of a non-Complex nature.

9) Two Bid System

- a) For purchasing high value plant, machinery, equipment, IT, and Communication system and for turnkey projects, etc., which are of a complex and technical nature bid should normally be obtained in two parts as follows:

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- b) A technical bid consisting of all technical details along with commercial terms and conditions; and the financial bid indicating item wise price for the items mentioned in the technical bid and all other commercial terms and conditions.
- c) The technical bid and the financial bid shall be submitted in separate sealed envelopes as directed by the Purchase Committee.
- d) The technical bids are to be opened and evaluated in the first instance. At the second stage, financial bids of only the technically acceptable offers should be sought and opened for further evaluation before awarding the contract.

10) Repeat Order / Rate Contract

- a) Repeat Orders / Rate Contracts or prices of vendors would be considered valid for a maximum period of 1 year for non-IT related products and services. For IT related products and services, the validity period is 3 months.
- b) With no change in rates as well as terms and conditions of supply. To be certified the equipment/Services/Materials quality is satisfactory.
- c) For purchase based on limited / Open Tender inviting Quotations/Bids/Proposals but not through Local Purchase/Single Vendor.
- d) The Procurement Department 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.

11) 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 the store section in the stock register. The bill for payment along with necessary documents, installation certificate etc. will then be sent by the indenting department to the procurement office for necessary checking and forwarding to the Finance & Accounts Section for payment.
- b) In case of short supply/any damage/supply is not found as per Purchase Order, the department/centre/office/section will inform in writing to Procurement Officer, the procurement officer will request the firm to rectify it within a suitable time otherwise the matter will be referred to Legal Cell for further necessary action.

12) Payment Terms

- a) Regular Purchases, the payment is after delivery and installation (Wherever installation is required).



- b) For purchase having FOR Destination, 100% Payment on receipt and acceptance of Goods/Service by the requisitioner subject to production of relevant documents.
- c) For the purchase having FOR Destination and involving installation and commissioning by the Vendor, 80% Payment on receipt and acceptance of Goods/Services by the vendor and acceptance by requisitioner.
- d) Retention clause 5% applicable for a period of 1 year for better service purposes. It's applicable for new plant installation like Biogas, Solar Plant, Chiller set up and Furniture etc. (It's not applicable for the ITKM capex (Systems, Software, Server etc.), Research equipment, Vehicles and Renewal of AMC, software & Insurance etc.
- e) **Advance Payment to Vendors:**
 - i) Advance Payment demanded by firms supplying Equipment/Services etc., up to 100% advance amount against 100% Bank Guarantee may be allowed.
 - ii) 100% Advance Payment without any bank Guarantee in case of software, licenses, or specific instruments with the approval of Competent Authority on the recommendation of Committee Stakeholders.
 - iii) Any additional Payment in the Bills/Invoice on account of revision of Taxes/Duties may be considered by the Procurement Department provided it is as per the terms and conditions of Purchase Order.
- f) **Payment to Foreign Vendors:**
 - i) All Letters of Credit (LC) will be opened by the Procurement Department against the Purchase Order and grant (Plan/Project/Miscellaneous) allocated to the concerned department. Certain cases, 90% LC advance can be made along with the order if it is in the terms and conditions of the said organization.
 - ii) Payment can also be made by sight Draft/Bank Transfer/Wire Transfer after receipt of items in good condition.

13) Late Delivery

- a) 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.
- b) A penalty of 0.5% of the delivered price of the delayed items for each week subject to a Maximum of 5% of the delivered price is to be incorporated in the terms and conditions of the Purchase Order. The delivery period shall include supply of the item in good condition and satisfactory installation. Any request for an extension of time by vendor should be carefully received and approved by concerned stakeholders.

14) General Rules

- a) All online purchases are subject to the same rules as mentioned in this policy, for convenience we can circumvent procedure if Competent Authority has given prior approval.
- b) The points, which are not covered by the purchase rules of the University, will be at the discretion of the UPC.
- c) Any matter not covered by these rules may be referred to the office of the Vice Chancellor.
- d) No purchase will be made in the Departments/Schools/Centre of Excellence unless there is a specific budget provision for such a purchase.
- e) Processing of requisitions for any purchase can be made by the Department/Schools/Centre of Excellence 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.
- f) If a purchase proposal is held in the Approver/Receiver's office for more than the designated time (**See the process timeline in S. No. 15**) it will automatically be elevated to the next level in hierarchy.
- g) If a proposal forwarded to the Vice Chancellor's office or the Pro Chancellor's office sits in the office for more than the designated time it will automatically be considered a closed matter and the recommendation of the UPC would prevail.
- h) These rules may be revised as and when required. They must incorporate a complete bidding method for procurement in a later version of this policy or when we undertake any purchase through the bidding process.

15) Process Timeline

- a) INR 50,000 – 5L → 6 Working Days

Sl. No	Activity	Initiator	Approver/Receiver	Timeline (Working Days)
1	Purchase Proposal		Procurement Officer	2
2	Budgetary Requirement	Procurement Officer	Senior Manager, CFAO's Office	1
3	Purchase Proposal Approval	Procurement Officer	UPC	1
5	Issue Purchase Order	Procurement Officer	Procurement Officer	2




b) INR 5L – 10L → 11 Working Days

Sl. No	Activity	Initiator	Approver/Receiver	Timeline (Working Days)
1	Purchase Proposal		Procurement Officer	2
2	Budgetary Requirement	Procurement Officer	Senior Manager, CFAO's Office	2
3	Purchase Proposal Approval	Procurement Officer	UPC	3
4	Purchase Proposal Approval	Procurement Officer	Vice Chancellor's Office	2
5	Issue Purchase Order	Procurement Officer	Procurement Officer	2

c) Above INR 10L → 16 Working Days

Sl. No	Activity	Initiator	Approver/Receiver	Timeline (Working Days)
1	Purchase Proposal		Procurement Officer	2
2	Budgetary Requirement	Procurement Officer	Senior Manager, CFAO's Office	2
3	Purchase Proposal Approval	Procurement Officer	UPC	3
4	Purchase Proposal Approval	Procurement Officer	Vice Chancellor's Office	7
5	Issue Purchase Order	Procurement Officer	Procurement Officer	2

(May undergo revision when the new organic structure is implemented)



Registrar

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