

SATHYABAMA

**INSTITUTE OF SCIENCE AND
TECHNOLOGY
(DEEMED TO BE UNIVERSITY)**

PURCHASE POLICY

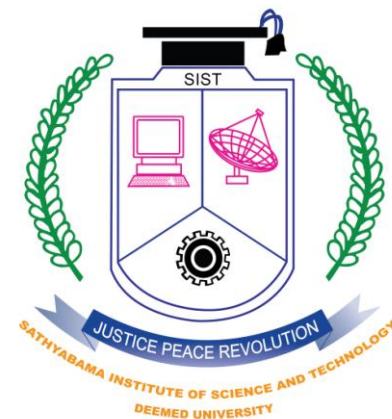


TABLE OF CONTENTS

S.No	Title	Pg. No
1	Introduction	1
2	Constitution of Purchase Committee	1
3	Purchase Procedure	2
3.1	Call for quotation	3
3.2	Opening of quotations and preparation of Comparative Statements	4
4	Documents required to be filed in any purchase file	5
5	The payment terms shall be as follows	5
6	Release of Purchase Order	5
7	Annual Maintenance Contract	6
8	Repeat Order	6
9	Liability	6
10	Approval/Notice	6

PURCHASE POLICY

1. Introduction

Purchasing is an important function to meet the Institution's educational and administrative needs. To provide guidelines and assist faculty and staff with respect to procurement and to obtain high quality products and services at the lowest cost possible and in a timely manner, this Purchase Procedure has been developed. Any goods and/or services purchased with the Institution's funds are bound by this procedure.

Purchase Procedure of Sathyabama Institute of Science and Technology has the following guidelines to be adhered, while procuring any items such as equipments, chemicals, stationery, machinery, software, hardware and receiving services (maintenance, repairs and other related actions), These guidelines holds good to all the departments, schools, research centers, administrative offices and all other related academic sections.

Sustainability is one of the core values of the Institution. Any procurement that is made by the Institution must take into account the social and environmental impacts of the goods and services. Procurement should be based on the principle of responsible consumption. Materials, products and services must be responsibly sourced from vendors who follow environment friendly practices.

2. Constitution of Purchase Committee:

A Purchase Committee shall be constituted for each department, research centre and other administrative sections, which has to be renewed for every 2 years with the following composition.

- i. i Dean of the School (Chairperson of the Committee)
- ii Concerned Head of the Department

- ii. 1 Professor
- iii. 1 Associate Professor
- iv. 1 Assistant Professor - To be nominated by the Head of the Department by rotation (every year)
- v. Technical expert or System expert (as per the requirement)
 - o Wherever it academic Departments, a Central Purchase Committee System shall be followed (whose constitution shall be headed by the Vice Chancellor, Registrar, Finance Officer, two or three Management Members, a Dean and a Head of the department)

3. Purchase Procedure:

- a) All the purchase estimates shall be prepared by respective head of the department / office/ research centre
- b) Maintenance of a Purchase Order Register is mandatory and Internal Audit should be carried out once in 6 months. If any pending purchase order exist, it should be followed periodically

The following purchase procedure should be followed.

- i. Submission of the request for the purchases
- ii. Calling for quotations from vendors, who are in the field of supplying for a minimum of 5 years
- iii. Requesting for the demonstration of the item (product, machinery, equipment, software, hardware and other related services) from vendors , which should be in the presence of minimum of three senior faculty members
- iv. Producing Comparative Statement before the scrutiny committee (Head, a technical expert who is going to use that item and a senior faculty)
- v. Submission of report to the Purchase Committee with necessary proof and comparative statement
- vi. Preparing and releasing Purchase Order reflecting the terms and conditions of purchase and inputs (related to item of purchase) from the finalized quotation
 - vii. Releasing the advance / partial amount

- viii. Receiving and inspecting the quality of the item purchased in the presence of the Head of the department/section/office (who is liable for the quality of the purchased item)
- ix. Keeping a copy of delivery challan
- x. Entering the purchased item details in the purchase register, stock register and documenting other related proof of purchase in the relevant files
- xi. Releasing the final payment
- xii. Producing details of purchase for ratification to the finance committee and Board of Management

3.1 Call for quotation

- Purchases upto Rs.10,000/- : Without calling for quotations but after satisfying that the items purchased or services acquired are of requisite quality / specification and have been purchased from a reliable supplier at a reasonable cost.
- Purchases above Rs.10,000/- and upto Rs.50,000/- : Minimum 3 quotations are to be called
- Purchases above Rs.50, 000/- and upto Rs.5.00 lakh: Notice inviting quotations should be sent to minimum 6 firms as far as practicable. Such quotations should be obtained either from the manufacturers directly or authorized dealers / distributors who are registered with the Commercial Tax Department of the respective State (for VAT purpose)
- Purchases above Rs.5.00 lakh/- should be called for minimum of 6 firms those have atleast 7 years of field experience of supplying
- Quotation, as far as possible, should be called for from the original manufacturers / principals / reputed and regular dealers only. In cases where quotations are obtained from the agents, a letter of authorization or dealership from the principal is required to be obtained
- To ensure sound financial status, the manufacturer / suppliers are to be asked to mention in the quotation their valid Sales Tax / VAT / Service Tax / PAN registration references and GST details vividly in their quotations

3.2 Opening of quotations and preparation of Comparative Statements:

- 3.2.1 After the last date of receipt for quotations, these quotations shall be opened in the presence of purchase committee
- 3.2.2 A Comparative Statement of the quotations to be prepared. Merits and demerits of each quotation and product from the vendor shall be mentioned clearly in comparative statement
- 3.2.3 A list of quotations which are not considered for inclusion/rejection in the Comparative Statement is to be prepared stating the reason(s) for non inclusion
- 3.2.4 Points to be taken into consideration while preparing the comparative statement:

I. Basic rate of each item and the taxes, insurance, freight, discount offered and other charges are required to be reflected in the comparative statement

II. In case spares are being purchased along with the main equipment, then separate column may be opened for these items

III. Special conditions relating to payment, place of delivery of articles, time schedule for supply, warranty, and any other charges are required to be noted in the comparative statement

IV. The dated signatures of the officials preparing and checking the comparative statement are required on the comparative statement

V. Late quotations (i.e. quotations received after the specified time of opening), delayed quotations (i.e. quotations received before the time of opening but after the due date and time of receipt of quotations) and post quotations offers, should not be considered

- When the quotations are under examination, no other authority should be allowed to make queries or call for reports or exercise any sort of influence, as it is improper and would lead to delay in taking correct decisions
- Validity of quotation should be sufficiently longer, say upto 60 days, so that the proposal can be processed without any need for seeking re-validation. After this period,

fresh quotation shall be called for before finalizing the purchase

- From among those suppliers meeting all the specifications prescribed by us, the one who has quoted the lowest may be called for negotiation, if felt necessary

4. Documents required to be filed in any purchase file:

- a) Notice inviting quotations / tenders and / or a report of survey conducted
- b) Copy of 'in principle approval', if available
- c) Quotations received (all in original)
- d) Report of the Scrutiny committee
- e) Comparative Statement(s) – pre-negotiation and post-negotiation, signed by the proposer on each, counter signed by the Head of the Department/ Section/Office

5. The payment terms shall be as follows:

50% of the order value would be released at the time of Purchase Order release. Balance 50% would be released after submission of final delivery and acceptance of the quality of the item.

6. Release of Purchase Order:

The Purchase Order should necessarily consist of:

- a) Value of purchase, basic price, taxes and duties and discount Mode and time of delivery Mode of payment Technical specification Guarantee/Warranty period
- b) Cost of transportation and transit insurance (if applicable)
- c) Arrangements for training of personnel
- d) Failure to comply with the agreement terms - payment of compensation to the Institution
- e) Arrangements for inspection and testing, installation and servicing/calibration/maintenance (Terms and Conditions)
- f) Arbitration Clause

7. Annual Maintenance Contract (AMC):

In the case of periodic services required throughout the year, ex: maintenance, Stationery, chemicals, consumables, licenses and other accessories, it is desirable to enter into AMC valid normally for one year

8. Repeat Order:

No repeat order is allowed and only fresh quotations to be called for and the subsequent mentioned in section 2 should be followed

9. Liability:

The Head of the department/section/office and also the Purchase Committee are liable for any discrepancies at any stage of the execution of the purchase procedure. If anyone in the purchase committee are found guilty or biased in any specific case are subjected to the disciplinary action as decided by the Board of the Management.

10. Approval/Notice:

- All the purchases (less than 2 lakhs) should be brought to the notice of Finance Committee and Board of Management for ratification
- All the Major Purchases (above 2 Lakhs) shall be included in the budgetary proposals of the department, duly approved by the Finance Committee, Board of Management before heading to the purchase procedure