PROCUREMENT POLICY

2026 Edition

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Sathyabama Institute of Science and Technology

(Deemed to be University)

Rajiv Gandhi Salai, Chennai – 600119, Tamil Nadu, India

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DOCUMENT CLASSIFICATION : This document constitutes an official policy of the Deemed to be University. The provisions of this policy shall be implemented and interpreted in accordance with the applicable statutory and regulatory requirements, and in conjunction with other relevant policies, regulations, ordinances, and guidelines of the Institution.

PROCUREMENT POLICY

1. PREAMBLE

Sathyabama Institute of Science and Technology has developed this Procurement Policy to provide guidelines and assist faculty and staff members in following the procurement procedure and obtaining high-quality products and services at the lowest cost possible and in a timely manner. Any goods and/or services purchased within the Institution shall be bound by this procedure.
The procurement guidelines shall be adhered to while procuring items such as equipment, consumables, stationery, machinery, software, hardware, and services including maintenance, repairs, and other related activities. These guidelines shall apply to all Departments, Schools, Research Centres, Administrative Offices, and other units situated within the campus of Sathyabama Institute of Science and Technology.

2. PURPOSE

The purpose of this Policy is to establish a transparent, accountable, and efficient procurement system ensuring:

- Value for money.
- Fair competition.
- Transparency.
- Compliance with statutory requirements.
- Proper financial control.

3. SCOPE

This Policy shall apply to:

- All academic departments.
- Administrative offices.
- Research Centres.
- Projects funded internally or externally.

It shall cover the procurement of:

- Equipment.
- Laboratory items.

- Books and journals.
- IT hardware and software.
- Services and consultancy.

4. PRINCIPLES OF PROCUREMENT

The procurement process shall be guided by the following principles:

- Transparency.
- Competitive bidding.
- Accountability.
- Segregation of duties.
- Proper documentation.
- Ethical conduct.

5. AUTHORITY AND RESPONSIBILITY

Initiating Authority

- Head of Department (HOD).
- Project Investigator for funded projects.

Processing Authority

- Purchase Committee.

Financial Scrutiny

- Finance Committee.
- Executive Council.

Approving Authority

- Head of the Department
- Dean / Director
- Finance Officer
- Registrar
- Pro Vice-Chancellor
- Vice-Chancellor

6. CONSTITUTION OF DEPARTMENT PURCHASE COMMITTEE

A Purchase Committee shall be constituted for each Department, Research Centre, and other Administrative Office and shall be renewed every three years.
The composition shall be:

1. Dean – Chairperson of the Committee.
2. Head of the Department.
3. Professor – 1.

4. Associate Professor – 1.
5. Assistant Professor – 1, to be nominated by the Head of the Department by rotation.
6. Technical Expert or System Expert – 1, as per the requirement.
    - Wherever necessary, the Chairperson of the Purchase Committee may invite expert(s) to the Purchase Committee.
    - For the Library, the Library Head shall decide the constitution of the Library Purchase Committee.
    - In respect of non-academic Departments and Research Centres, a Central Purchase Committee System shall be followed.
    - The Central Purchase Committee shall be headed by the Vice-Chancellor, Pro-Vice-Chancellor, Director, Registrar, Finance Officer, two or three Management Members, and a Dean / Head / Senior Faculty.

7. PURCHASE PROCEDURE

The following steps shall be followed:

- Purchase Requisition (PR).
- Invitation of Quotations / Tenders.
- Technical Evaluation.
- Financial Evaluation.
- Approval.
- Issue of Purchase Order (PO).

The following procedures shall also be followed:

- All purchase estimates shall be prepared by the respective Head of the Department / Office / Research Centre.
- The Annual Budget submission shall be made through the Budget Request Forms in the month of March.
- Quotations shall be called from vendors who have been in the field of supplying for a minimum period of three to five years.
- Demonstration of the item, including product, machinery, equipment, software, hardware, and other related services, shall be made by vendors in the presence of a minimum of three senior faculty members.
- A Comparative Statement of offers shall be submitted to the Department / Centre Purchase Committee.
- A report shall be submitted to the Purchase Committee with necessary proof and Comparative Statement.
- The Purchase Order shall be prepared, approved by the Chairperson, and released, reflecting the terms and conditions of purchase and technical specifications of the item from the finalized quotation of the Comparative Statement.
- Advance / partial amount may be released by the Chairperson of the Purchase Committee.

- The item shall be collected from the supplier/vendor and its quality inspected by the user in the presence of the Head of the Department / Section / Office / Research Centre and a senior faculty member.
- A copy of the delivery challan shall be filed.
- The purchased item details shall be entered in the Purchase Register and Stock Register, and other related proof of purchase shall be documented in the relevant files.
- The final payment shall be released.
- Details of the purchase shall be submitted for ratification to the Finance Committee and Board of Management.
- A Consolidated Statement of Expenditure shall be submitted to the concerned authorities at the end of every financial year using **Form No. BU-CONS**.
- Maintenance of a Purchase Order Register is mandatory.
- Internal Audit shall be carried out once in six months.
- Pending Purchase Orders shall be followed periodically.

8. VENDOR SELECTION PROCESS

The vendor selection process shall include:

- Identification of needs and requirements.
- Research of potential vendors having a minimum of three years of experience in the related field.
- Request for Proposal and invitation to vendors to submit proposals and manage questions during the RFP process.
- Evaluation of proposals based on:
    - Technical expertise.
    - Proposed solutions.
    - Pricing.
    - Delivery timelines.
    - Past performance.
- Shortlisting of top vendors.
- Negotiation regarding pricing, project scope, deliverables, and contract terms.
- Entry of final selected vendors in the Approved Vendor in Sathyabama

9. CALL FOR QUOTATION

9.1 Purchase of Items up to ₹10,000/-

- Quotations need not be called.
- The Institution shall satisfy itself that the items purchased or services acquired are of the requisite quality/specification.
- The items or services shall be purchased from a reliable supplier at a reasonable cost.

9.2 Purchase of Items Above ₹10,000/- and up to ₹5,00,000/-

- A request letter inviting quotations shall be sent to a minimum of three companies as far as possible.
- Quotations shall be obtained either from manufacturers directly or from authorized dealers / distributors registered with the Commercial Tax Department of the respective State for GST purposes.
- Quotations, as far as possible, shall be obtained from original manufacturers / principals / reputed and regular dealers.
- Where quotations are obtained from agents, a letter of authorization or dealership from the principal shall be required.
- Items of proprietary nature or items fabricated for a special purpose as per the specifications of the user and not available with any supplier may be given an exception with the permission of the Purchase Committee.
- Manufacturers / suppliers shall mention valid PAN registration and GST details in their quotations.

9.3 Purchase of Items Above ₹5,00,000/-

- A minimum of three quotations shall be obtained from companies having at least three to five years of field experience in supplying.
- Quotations, as far as possible, shall be obtained from original manufacturers / principals / reputed and regular dealers.
- Where quotations are obtained from agents, a letter of authorization or dealership from the principal shall be required.
- Items of proprietary nature or items fabricated for a special purpose as per the specifications of the user and not available with any supplier may be given an exception with the permission of the Purchase Committee.
- Manufacturers / suppliers shall mention valid PAN registration and GST details in their quotations.

10. OPENING OF QUOTATIONS AND PREPARATION OF COMPARATIVE STATEMENTS

- After the last date of receipt of quotations, the quotations shall be opened in the presence of the Purchase Committee.
- A Comparative Statement of offers shall be prepared based on the quotations received.
- Merits and demerits of each quotation and product from the vendor shall be clearly mentioned in the Comparative Statement.
- A list of quotations not considered for inclusion / rejection in the Comparative Statement shall be prepared, stating the reasons for non-inclusion.
- The following shall be considered while preparing the Comparative Statement:
    - ✓ Basic rate of each item, taxes, insurance, freight, discount offered, and other charges.

- ✓ Separate columns for spares where spares are purchased along with the main equipment.
  - ✓ Special conditions relating to payment, place of delivery, time schedule for supply, warranty, and other charges.
  - ✓ Late quotations and post-quotation offers shall not be considered.
  - ✓ The Comparative Statement shall be prepared as per the prescribed form with the approval of the competent authorities.
- When quotations are under examination, no other authority shall be allowed to make queries, call for reports, or exercise any sort of influence, as it may lead to delay in taking correct decisions.
- The validity of quotations should be sufficiently longer, up to 90 days, so that the proposal can be processed without seeking revalidation for price revision and other terms and conditions.
- If revalidation for price revision is not possible, fresh quotations shall be called before finalizing the purchase.
- The supplier quoting the lowest price among the offers after meeting all specifications prescribed by the user or indenter may be called for negotiation, if felt necessary.

11. RECEIPT AND INSPECTION

The following documents shall be maintained:

- Letter of request, vendor selection, invitation of quotations / tenders, and/or report of survey conducted.
- Copy of in-principle approval, if available.
- Quotations received, in original.
- Report of the Purchase Committee.
- Comparative Statement(s), pre-negotiation and post-negotiation, signed by the proposer on each and countersigned by the Head of the Department / Research Centre / Section / Office.
- Installation report, if applicable.
- Inspection report by the user department.

12. RELEASE OF PURCHASE ORDER

The Purchase Order shall necessarily consist of:

- Value of purchase, basic price, taxes and duties, and discount
- Mode and time of delivery
- Mode of payment
- Technical specification
- Guarantee / Warranty period
- Cost of transportation and transit insurance, if applicable
- Arrangements for training of personnel

- Failure to comply with the agreement terms and payment of compensation to the Institution
- Arrangements for inspection and testing, installation, servicing, calibration, and maintenance, including terms and conditions
- Arbitration Clause.

13. PAYMENT TERMS

- Payment terms shall be as per the quotation.
- The final instalment shall be released upon successful commissioning of the equipment.
- Payment shall be made after satisfactory delivery.
- Advance payment shall be made only with approval.
- TDS / GST compliance shall be mandatory.

14. ANNUAL MAINTENANCE CONTRACT (AMC) FOR CAPITAL ITEMS

- Sophisticated equipment and machinery requiring proper maintenance may be covered under a maintenance contract for trouble-free service.
- The maintenance contract shall commence after expiry of the warranty period, during which the goods shall be maintained free of cost by the supplier.
- A maintenance contract may be entered into either with the manufacturer / supplier of the goods or with a competent and eligible firm, not necessarily the manufacturer / supplier.
- The Department shall decide this aspect on a case-to-case basis on merit.
- Details of services required, period of maintenance, relevant terms and conditions, and payment terms shall be incorporated in the tender enquiry document.
- Terms of payment for maintenance services shall depend on the nature of the goods and the services required.
- Where the maintenance contractor is required to take equipment, machines, or components to its factory for repair, a suitable Indemnity Bond shall be obtained before handing over major equipment / machines to safeguard the purchaser's interest.

15. REPEAT ORDER

- No repeat order shall be allowed for purchase of items worth more than ₹10,000/-.
- Prior permission shall be obtained from the Purchase Committee for purchase of items less than ₹10,000/-.
- Fresh quotations shall be called for and the procedure mentioned in Section 2 shall be followed for purchases above ₹10,000/-.

16. LIABILITY

- The Head of the Department / Research Centre / Section / Office and the Purchase Committee shall be liable for any discrepancies at any stage of execution of the purchase procedure.
- If any member of the Purchase Committee is found guilty or biased in a specific case, he/she shall be subject to disciplinary action as decided by the Board of Management.

17. APPROVAL / NOTICE

- All major purchases above ₹50,000/- shall be included in the budgetary proposals of the Department.
- Such purchases shall be duly approved by the Finance Committee and Board of Management before proceeding with the purchase procedure.

18. VENDOR REGISTRATION

Vendors shall submit:

- GST Registration.
- PAN.
- Bank details.
- Previous experience details.
- Details required for inclusion in the Approved Vendor Database.

Approved vendors shall be listed in the Vendor Database.

19. PURCHASE REQUISITIONS AND RECORDS

The following records shall be maintained:

- Quotations / Tenders.
- Comparative Statements.
- Approval Notes.
- Purchase Orders.
- Inspection Reports.
- Payment Records.
- Purchase Orders and connected correspondence / records shall be maintained by the Department for a minimum period of five years.
- Records shall be uploaded in the Sathyabama ERP Portal after closure of the purchase.

20. EMERGENCY PURCHASE

In urgent situations:

- The Vice-Chancellor / Registrar may approve direct purchase.
- Post-facto approval shall be obtained.
- Proper documentation shall be mandatory.

21. AUDIT AND REVIEW

- The procurement process shall be subject to Internal Audit.
- Statutory Audit compliance shall be mandatory.
- This Policy shall be reviewed every three years or as required.

22. CONFLICT OF INTEREST

- No staff member shall have a financial interest in a vendor.
- Declaration shall be submitted wherever required.

Issued by
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