

## **STANDARD OPERATING PROCEDURE FOR PURCHASE AND STORE**

### **A. Definitions**

1. Purchase: The business activity directed to securing the material, supplies and equipment's required in the University operation. It has a long-range objective of ensuring continuity of cost-effective supplies of material and service.
2. Purchase Section: A section which functions under the Registrar of the University for carrying out the effective planning of material available and to procure goods and services at effective rates with protecting the interest of the University.
3. Store: A place/room/locked area within the University which is used to keep the purchased products in the safe custody of a designated official appointed by the University.
4. Storekeeper: A designated officer who has been appointed by the University for maintaining all the procedures related to the store.
5. Intender: A employee of the University who needs certain materials/ services for performing an act or need the material to complete a task/service which is related to the job, to which he is assigned, by the University.
6. Purchase Intent: A document forwarded by the intender to the Purchase section for acquisition of products/services with the approval of the Registrar.
7. Purchase Committee: A committee being formed by the university to execute/ provide recommendation regarding purchase of products/services.
8. Purchase Officer: A staff member who is designated by the Registrar of the University to carry out the purchase function as per the decision taken by the purchase committee meeting.
9. Supplier: A person/ company who provides the products/services to the University on the basis of a predetermined rate mutually agreed by both the parties.
10. Purchase Order: A purchase order is an initial commercial document issued by University to a seller indicating types, quantities, and agreed prices for products or services
11. Scrutiny Committee: A subcommittee which is been formed by the Registrar on recommendation of the purchase committee, to oversee the specification are met and quality of materials.

## **B. Objectives:**

- Make purchase commitments for materials, equipment and services at the lowest possible price, consistent with quality and delivery requirement.
- Ensure deliveries of purchase products are available to meet the operational and maintenance requirement and that equipment is delivered and services are performed as and when required and agreed to by the user, buyer and supplier.
- Explore and recommend all cost effective methods of cost reduction on purchase of products.
- Ensure supplies adhere strictly to brand or make and test specifications and that materials and equipment's received meet specified quality standards and all stated performance criteria.
- Develop local suppliers list/ vendors.
- Establish and maintain professional relation with vendors.
- Implement buyer rotation plan.

## **Scope**

- All material required for the operation of the University in exception of products coming under the scope of the Project Department.
- All Capital to be raised for equipment's/ items
- All raw material including tender for repairs and maintenance to be carried out.
- Office equipment and stationery
- Housekeeping materials
- Fire and Safety equipment's
- All other items of purchase of goods and/or services not specifically included in Exceptions.

## **C. Exceptions**

- Publications including books, periodicals etc
- Professional fees/services
- Personnel Services
- Advertising Services
- Software Services
- Facility services including travel, hotel booking and housekeeping etc

- Hiring of office space.

#### **D. Policies**

D.1) Except as otherwise specified under “Exceptions” entire purchase for CVV shall be made by the designated purchasing official. The purchasing official is empowered to act on the basis of an approved expenditure sanction. However, it may be by-passed by purchase official during emergencies, must be documented on file explaining why the normal purchasing process was not followed.

#### **D.2) Purchasing official will have the following responsibilities**

D.2.1) Identify suppliers, and invite quote on quality, delivery, pricing etc and make all purchasing commitment after obtaining approval from Vice Chancellor with recommendations from purchase committee.

D.2.2) Solicit quotation only from suppliers who are qualified or can be qualified to meet all requirements. An approved supplier list as must be maintained for all purchase of repetitive nature. Examination of financial status of company, facilities, its ability to perform with in the time frame, meet commitments should be part of the criteria considered to select a supplier.

D.3) The user and purchasing officials shall be jointly responsible for identifying acceptable suppliers with the user responsible for the technical evaluation and purchasing official responsible for financial and service evaluation. Once acceptable suppliers have been identified, purchasing official will recommend to the purchase committee for the selection of a supplier who can best serve to university requirement.

D.4) The material specifications shall take into consideration the price and availability factors without compromising on quality. The quality standard shall not be unnecessarily rigid to preclude competition or economic purchasing.

D.5) All products and services purchases must be properly covered by an appropriate and duly authorized purchase requisition setting forth all the required information including date, specifications, delivery instructions and available budget provisions.

D.6) Products of regular consumption shall be bought on a contract basis by sending annual enquires every year. Other products shall be purchased by inviting quotations as and when request is received.

D.7) Enquires shall indicate the approximate quantity likely to be purchased in bulk quantities. The quantities to be indicated in the enquiry letters shall first be cleared by the authorized purchasing official with the intender.

D.8) Purchase committee will decide up on the invitation of open tender or to take price quote from a list of empanelled vendors.

D.9) Purchasing officials are responsible for obtaining at least three written quotations for purchase of materials, services or equipment's.

D.10) If quotation from less than three suppliers are obtained, appropriate justification should be recorded in the RFA and purchase approval form as to reason why three quotations are not obtained.

D.11) All supply orders shall normally be awarded to the lowest bidder. In case of deviation from this, proper justification must be recorded in Purchase Committee Meeting Minutes.

D.12) Purchase orders should not be issued after delivery of goods or work has started or service rendered merely to facilitate payment. In exceptional cases such confirmation orders have to be approved by the Vice Chancellor with recommendation from the Registrar.

D.13) A normal credit period of 20 days from the date of receipt of material shall be obtained from suppliers. Advance payment against orders, cash against delivery and documents through bank shall be authorised by the Registrar.

D.14) The price quoted by any supplier and his identity shall not be disclosed to other suppliers until finalization of the supplier and release of supply order.

D.15) All suppliers who have submitted the quotation shall be informed that the process has been completed and a vendor have been finalized upon.

D.16) Settlement of suppliers bills for procurement of materials and/ or services shall be by way of RTGS or NEFT. Petty cash purchases should be exempted from the same.

D.17) All rejections and returns of the suppliers shall, as far as possible, be in the suppliers cost and risk. Purchasing officials shall immediately inform the suppliers of such rejection for replacement or return.

D.18) Other things being equal, local suppliers shall be given preference over outstation suppliers. Development of alternate suppliers should be pursued as an objective to reduce costs, provide flexibility and improve quality.

D.19) Professional relationship of purchasing personnel with suppliers and their representatives shall be the norm which will promote public goodwill in every respect and at all times. Dealings with suppliers will be conducted with utmost integrity, adhering to the highest standards of ethical and just conduct.

### **E Purchase Requisition/Intent**

E.1) All procurement of product and/ or services covered by this policy shall be initiated through a purchase requisition/ intent duly approved by the Dean/ Registrar.

E.2) Designated purchasing official is empowered to act only on the basis of an approved purchase requisition/ indent.

E.3) The requirement of product and/or services procured through local purchases must be properly assessed by the procurer and should only cover the minimum inescapable requirement. Once the need has been established, after taking into consideration the stock already available and availability of budget provisions, actions will be initiated as at point E.1.

E.4) Intent must be covered by adequate approved budget provisions.

E.5) Purchase requisition/ intent shall not be sent to purchase after work has started or products delivered or services rendered merely to facilitate issues such of purchase order and for payment. In exception cases, such confirmatory indents have to be approved by Vice Chancellor.

### **F Scrutiny of Purchase Requisition/Indents**

F.1) Purchase official shall scrutinise the approved indents on its receipt with specific reference to:

F.1.1) Completeness of indents including specifications, delivery schedules, adequate approved budget coverage etc.

F.1.2) Requisite approvals.

F.1.3) Quantity already in stores to be certified by stores.

F.1.4) Approval of Dean/ Registrar.

## **G Floating of Enquiries**

G.1) The purchase committee will recommend to Registrar after evaluation of purchase requisition/ indent whether a open quotation has to be invited or to procure the products from empanelled list of service providers/vendors. The purchase official is bound to act according to the approvals from the committee.

G.2) In case of open quotation a sealed quotation box has to placed in the reception area and the key has to be in the custody of purchasing official. A minimum time period of 7 days and a maximum time period of 21 days from the date of publishing the advertisement of quotation on website, social media pages and other mass media has to be provided for submitting the quotation which should clearly stating the time and date of opening the quotation.

G.3) If the product/ service rendered is procured from a empanelled vendor/service provider a market study on price for products/services need to be conducted in order to overcome the lobbying of vendors has to be undertaken on periodic basis.

## **H Receipt of quotations**

H.1) The purchase official with at least one member of purchase committee has to open the quotations and need to summarize the quotations received and submit a consolidated report to the purchase committee meeting for decision making.

H.2) Price negotiations with the vendor/ service provider has to be avoided, in case if needed it has to be done with least quoted vendor with prior approval of Vice Chancellor with the recommendation of Registrar.

H.3) If the quotations received does not satisfy the criteria, the purchase committee has to decide up on inviting of re tender or open purchase of material from a manufacturer or service provider. During this scenario maximum negotiations has to done by the purchasing official to get benefit of cost reduction.

## **I) Release of Purchase Order/ work order**

I.1) Based on the recommendation of the purchase committee, purchasing official has to prepare the Purchase Order with all required information and obtain the sanction of Registrar/ Vice Chancellor.

## **J) Scrutiny of products**

J.1) The prime responsibility of scrutiny of products is the end user, they will be liable to ensure the product purchased has meet with criteria which is mentioned in the purchase intent.

J.2) Purchasing official is responsible for the timely delivery of products, specified quantity, after sale services, guarantee and warrantee of the products as agreed in the purchase order.

**K) Payment processing**

K.1) All the bills received to the purchasing official should accompany a Good Received Note (GRN) with the approval from the Registrar/ Vice Chancellor for payment processing.

**L) Documentation**

L.1) The documents related to purchases have to be created through DDFS system implemented in the University.

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**Annexure – I**

Goods Received Note

Date:

Invoice Date:

GRN No:

Invoice No:

Department:

Vendor Name:

PO No:

PO Date:

Sl. No	Description	Units	Received	Rejected	Date	Amount

Checked by \_\_\_\_\_ Name \_\_\_\_\_ Designation \_\_\_\_\_ Signature \_\_\_\_\_

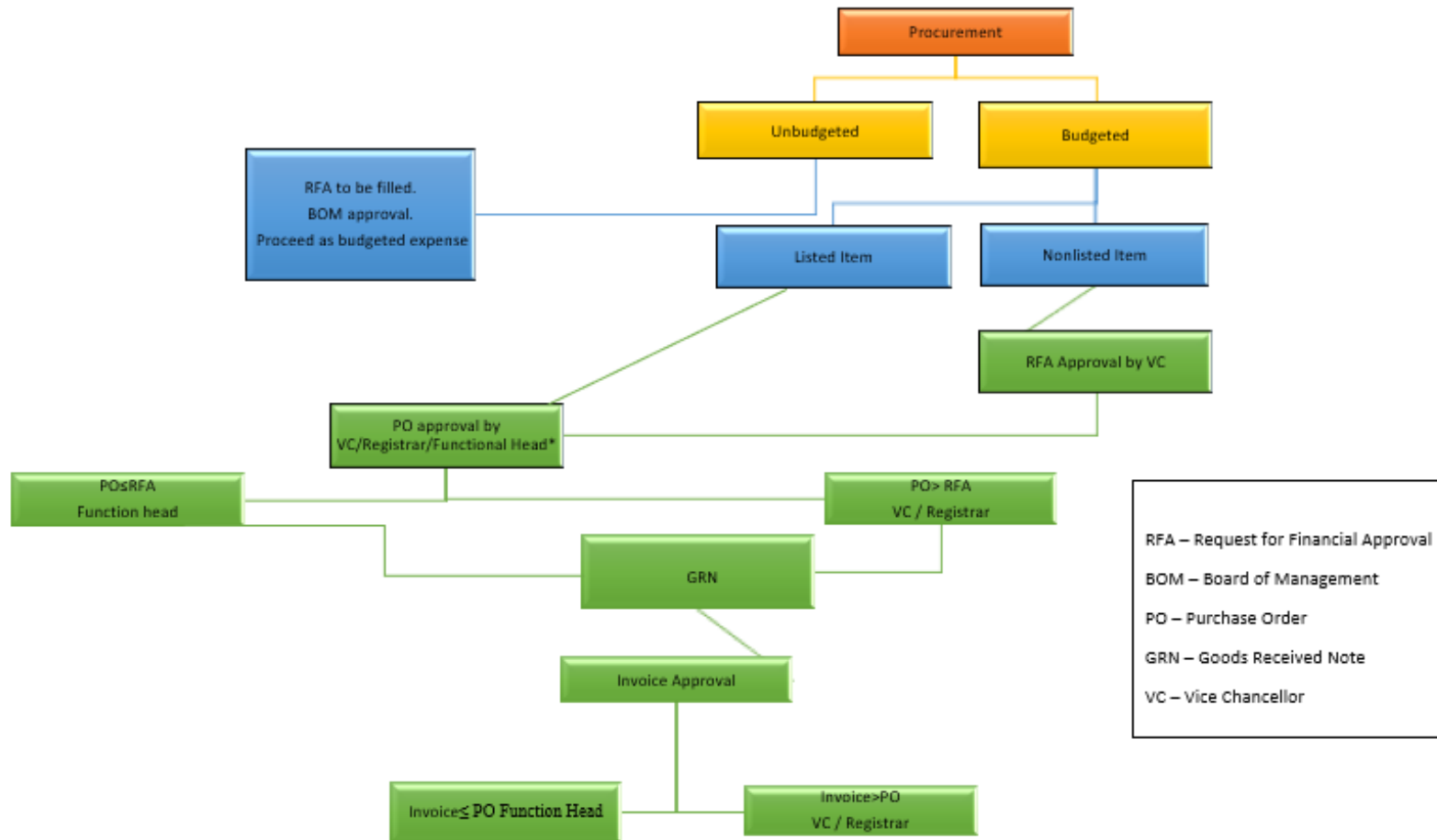
Received by \_\_\_\_\_

Scrutinised by \_\_\_\_\_

Remarks if any (Mandatory in case of rejection)



**ANNEXURE – II**  
**Workflow for Procurement**



\*PO followed after tender/ vendor evaluation for quotes followed by vendor finalization