

PART I : PURCHASE, OBJECTIVES, FUNCTIONS & RESPONSIBILITIES

PART II : PURCHASE PROCEDURE

PART I – PURCHASE, OBJECTIVES, FUNCTIONS & RESPONSIBILITIES

1. FUNCTIONS & RESPONSIBILITIES OF PURCHASE DEPARTMENT

1.1 OBJECTIVES

- 1.1.1 To maintain uninterrupted flow of materials to support the development schedules.
- 1.1.2 To procure materials economically at a cost consistent with the quality and service required. However, generally all purchases may be attempted at the lowest cost.
- 1.1.3 To provide the necessary expertise, advice, information to the Curators and Education Officers with regard to the best quality of material available in the market, supplier's capability and performance etc.
- 1.1.4 To develop and maintain good buyer-seller relationship.
- 1.1.5 To promote source development.
- 1.1.6 To maintain NCSM's reputation and credibility in the market by fair dealings and prompt payments.

1.2 FUNCTIONS :

The main functions of the Purchase Department are defined as follows:

- 1.2.1 Procurement of stores through indigenous and foreign sources as required in accordance with the rules in force.
- 1.2.2 Checking of requisitions/purchase indents.
- 1.2.3 Selection of suppliers for issue of enquiries.
- 1.2.4 Issuing enquiries/tenders and obtaining quotations.
- 1.2.5 Analysing quotations and bids etc., and preparation of comparative statement (quotation charts).
- 1.2.6 Consultation with the Indentor for selection and approval of quotations and with Accounts Officer for pre-audit.
- 1.2.7 Negotiating contracts.
- 1.2.8 Checking legal conditions of contracts. Consulting Administrative Officer or Secretary, NCSM – where necessary.
- 1.2.9 Issue of Purchase Orders.
- 1.2.10 Follow-up of purchase orders for delivery in due time
- 1.2.11 Verification and passing of suppliers' bills to see that payments are made promptly.
- 1.2.12 Correspondence and dealing with suppliers, carriers etc., regarding shortages, rejections etc., reported by the Stores Department.
- 1.2.13 Maintenance of purchase records.
- 1.2.14 Maintenance of progressive expenditure statement, sub-head wise.
- 1.2.15 Maintenance of vendor performance records/data.
- 1.2.16 Arrangement for Insurance Surveys, as and when necessary.
- 1.2.17 Clearance of foreign consignments.

1.2.18 Keeping various Departments/Divisions informed of the progress of their indents in case of delay in obtaining supplies.

1.2.19 Serving as an information center on the materials' knowledge i.e. their prices, source of supply, specification and other allied matters.

1.2.20 Development of reliable and alternate sources of supply.

1.2.21 It shall be particularly ensured:

(a) that all purchase are made against properly authorized requisitions, and valid sanctions, showing the correct and detailed end-use.

(b) that all the materials requisitioned are duly ordered from the right source after full enquiries on most competitive price taking into account the trade discounts and tax benefits etc.

(c) that the right quantity of the goods consistent with the quality and the specification required is bought.

(d) that the deliveries of all goods are received within the stipulated period.

(e) that claims due to shortages or any other discrepancies are settled promptly.

(f) that cordial and harmonious relations with all sections/divisions are maintained for becoming an efficient service unit in the museum/center.

1.2.22 While receiving the planned requirement of the indentors, it should be prevailed upon the Indentors to certify clearly that the quantities indicated are definitely required for the project and specify the period within which the quantities indented will be consumed. It is the duty of the purchase section to check purchase indents against needs and suggest modification of quantities wherever necessary.

2. **ECONOMY MEASURES TO REDUCE EXPENDITURE ON PURCHASE OR STORES.**

The following measures to effect economy in expenditure on purchase of stores shall be observed by all Museums/Centres:

2.1 Curators and other Officers should forecast and plan their requirements well in advance based on actual work; and project requirements should be realistically estimated to eliminate the risk of wastage or surplus after the project work is completed as the materials of one project may not be used in another. Over-indenting shall, therefore, be scrupulously avoided.

- 2.2 Indentors should not inflate their demands. They should draw their minimum requirements for the work in hand and for one year's consumption. The tendency to stock pile/hoard should be avoided. The Heads of the Divisions/Projects/Sections should personally scrutinize the items and the quantity – for the actual requirements.
- 2.3 All annual indents for replacement of bins or for major project work involving an estimated cost over Rs.20,000/= shall be subject to scrutiny by the Stores and Purchase Committee and shall be processed after their clearance.
- 2.4 Stock levels (maximum and minimum) for all repetitive items shall be fixed on consumption basis with the approval of Heads of Divisions/Projects/Sections. Annual indents shall be prepared accordingly for procurement.
- 2.5 Local/cash purchases shall be reduced to the barest minimum.
- 2.6 The position of surplus stores shall be reviewed every year and proper action be taken to utilize them.
- 2.7 The purchase requisitions for costly assets and non-availability certificates issued from stores should indicate the quantity in use in the museum/centre and not necessarily in stock in stores to adjudge whether further purchases of these costly items will be necessary or those already in use in the same or other departments/sections can serve the purpose.
- 2.8 Scientific equipment and instruments when out of order should be got repaired through the facilities available in each museum/centre or by outside agency.
- 2.9 The urge to exhaust the budget by purchasing items which are not of immediate use especially at the close of financial year should be curbed.
- 2.10 Temporary borrowing of Tools/equipment required among the workers should take place to avoid additional expenditure by fresh purchases.

3. **STORES & PURCHASE COMMITTEE**

3.1 **CONSTITUTION OF THE STORES & PURCHASE COMMITTEE**

The Policies and functions of the Purchase and Stores Department shall be controlled and guided by Stores and Purchase Committee in each museum/centre. The Committee may generally be composed of the following :

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|-------|--|---|-----------------|
| (i) | A Curator at ‘E’ or ‘c’ level | : | Chairman |
| (ii) | Two Officers from Exhibit Development Centre | : | Members |
| (iii) | Finance & Accounts Officer | : | Member |
| (iv) | Stores & Purchase Officer | : | Member/Convenor |

The Committee shall be constituted by Director in museums and D.G. in Headquarter.

3.2 OBJECTIVES & FUNCTIONS OF THE STORES & PURCHASE COMMITTEE

- 3.2.1 To formulate material planning for the museum/centre and promote effective correlation and inter-association between material planning and developmental work.
- 3.2.2 To scrutinize the budget estimates, plan and forecast the material requirements of various programmes and projects of the museum/centre at the beginning of financial year.
- 3.2.3 To review and set purchase policies on requirements of material from time to time.
- 3.2.4 To streamline the purchase and stores procedure, wherever necessary, subject to rules so that the workers get the material in due time.
- 3.2.5 To direct and coordinate the activities of the Stores and Purchase Departments to have an integrated system as a whole and promote its interaction with research management.
- 3.2.6 To curtail frequent local purchases, amend or cancel avoidable expenditure on the requirements of stores indented by various Divisions/Sections/Projects and contain the tendency to hoard.
- 3.2.7 To encourage pooling of items of common use.
- 3.2.8 To fix maximum, minimum limits for stores where necessary.
- 3.2.9 To review periodically the position of indents, to examine budget allocations and foreign exchange availability and to direct suitable action thereon.
- 3.2.10 To ensure that budgets not exhausted by purchasing items which are not of the immediate or important use.

- 3.2.11 All policy or complicated matters shall be referred to the Stores & Purchase Committee for consideration and recommendation instead of being solved by individual officers in isolation before final approval by the Director.
- 3.2.12 Tenders/quotations shall be opened by any three members of the Stores & Purchase Committee.
- 3.2.13 This Committee shall review the portion of surplus stores once in every year and take action (a) first to utilize them in different projects in the same museum/centre or in any other unit of NCSM or failing which (b) shall dispose off such surplus materials by auction.
- 3.2.14 The Committee shall examine unserviceable stores every six months and take actions as per rules and bye-laws of NCSM>
- 3.2.15 All recommendations/deliberations of the Committee shall be approved by the Director before implementation.
- 3.2.16 The committee shall meet at least once a month to review the important work allocations and progress thereof for both the Stores & Purchase Sections and suggest guidelines for further action. The proceedings of the meeting and the decision arrived at shall be recorded and further action where indicated shall be taken by respective officer.
- 3.2.17 The meetings shall be convened by the Stores & Purchase Officer every month or as may be decided by the Committee.

4. **INFRASTRUCTURE**

4.1 **ALLOCATION OF WORK IN PURCHASE DEPARTMENT**

(a) Internally the Purchase work be divided into three main groups:

Group A : Foreign purchase

Group B : Indigenous purchase

Group C : Vendor rating, source development and other misc matters.

Further sub-division and allocation of work on commodity basis or work basis may be resorted to for convenience of work.

(b) STAFF

Provision of staff for the Purchase Department is an administrative matter for the museum/centre to decide depending upon the volume of work-load. However, a basic minimum staff headed by the Stores & Purchase Officer must be provided as soon as the Purchase and Stores Activities of the museum/centre commence.

4.2 LOCATION OF PURCHASE DEPARTMENT

Proximity of the Purchase Department to the Stores Department is considered of great important as the relationship between the two is inherently so close and so basic that both should be near each other for better co-ordination and control.

If located near each other where accommodation facilities are available it would provide an integrated system as a whole for better performance with the facility to interact.

The stores and purchase sections shall also be as close as possible to the Exhibit Development Section which is the main user of the stores and purchase sections.

4.3 CENTRALISED PURCHASING

As every museum/centre has a Purchase Department, all purchases of stores shall be centralized in the interest of economy, uniformity and as a matter of policy since custodian and consumer should not be the same. Accordingly the purchase of office stationery, forms, liveries, furniture etc., shall be made by the Purchase Department and not by the administration sections. Transfer/adjustment of staff shall be made where necessary.

Local/cash purchase of stores shall continue to be made in exceptional cases by the Heads of Divisions/projects under their power but as far as possible Purchase Officer should be associated even while making such purchases.

4.4 REFERENCE BOOKS AND LITERATURE

The Purchase Department shall maintain a number of reference books and other general sources of information as the following:

4.4.1 Manual of instructions for purchase and maintenance of stores of NCSM.

4.4.2 General Financial Rules, Govt. of India.

- 4.4.3 Rules and Regulations and Bye-Laws of NCSM.
- 4.4.4 Schedule of Powers vested in various authorities of NCSM and officers in museum/centre.
- 4.4.5 Handbook of Import and Export procedures, orders issued by Government of India from time to time.
- 4.4.6 DGS&D manual of office procedure regarding purchase, inspection and disposal of stores.
- 4.4.7 Rate and Running Contracts entered into by DGS&D from time to time.
- 4.4.8 India Trade Journal.
- 4.4.9 Hand-book of commercial firms.
- 4.4.10 Firm's catalogues of foreign and indigenous manufacturers etc.
- 4.4.11 Price lists and vocabulary of stationery stores and forms issued by the Department of Stationery and Printing, Govt. of India.
- 4.4.12 Books on materials management, Inventory Control by famous authors including publications of National Productivity Council, New Delhi.
- 4.4.13 Railway Goods Tariff, Terminal Tax, Sales Tax, Octroi and custom rules.
- 4.4.14 Directory of foreign and indigenous manufacturers.
- 4.4.15 The collection may include some periodicals that report new concepts and techniques in Managing, Purchasing and material activities if funds permit.

The above books not only shall provide the facility of quick reference, consultation and information but shall be a source of locating potential suppliers.

4.5 ORIENTATION PROGRAMME FOR NEW COMERS

If a new employee in the Purchase Department joins without any previous training and experience and all his practical training has to be acquired on the job, he shall be given a week's orientation i.e. an understanding of the jobs in terms of its own activities, objectives and responsibilities in relation to the museum's policies and operations. For that purpose, his course of training shall consist of the following:

- (a) Knowledge of purchasing principles, policies and procedures.
- (b) Knowledge of relevant rules from GFR, DGS&D – manual of instructions for Stores & Purchase of NCSM etc.
- (c) Knowledge of museum’s developmental activities, equipment or productions, if any.
- (d) Knowledge of materials and how they are used.
- (e) Knowledge of other departments and their work, and the Purchase Department’s relationship with them and how they help each other.

The above training shall be acquired under the guidance and supervision of the Stores & Purchase Officer and its progress shall be watched by him till its completion. The trainee shall undergo a simple test at the end of his week’s training. Its evaluation/rating shall go into his personal records.

Similar training shall also be imparted on the incumbents joining Stores Department without any previous training and experience.

PART II – PURCHASE PROCEDURE

5. MODE OF PURCHASE

5.1	<u>Up to Rs.250</u> In each cash memo	By local/cash purchase in accordance with rules in force, after recording that purchase has been made after a thorough market search and after ensuring that price has been reasonable.	
5.2	<u>Rs.251 to Rs.500</u> In each cash memo	Same as in item 5.1 along with a certificate that in view of extreme urgency, it was not possible to effect the purchase by inviting quotations.	
5.3	Rs.501 to Rs.20,000 For each item of purchase/works	(i)	by <u>limited tender</u> – through issuing enquiries to a limited number of suppliers/contractors as approved by the Stores & Purchase Committee – based on the lowest technically acceptable tender/quotation out of at least three valid tenders/quotations.
		(ii)	by <u>single tender</u> directly from the manufacturer or sole distributor when the article to be purchased is a proprietary item (for definition and procedure, see item no.7.8).For purchase on the basis of single tender for non-proprietary items, see item 8.11.

		(iii)	by <u>emergent tender</u> – by obtaining three sealed quotations after making a thorough market search by a committee specially appointed by the Director or D.G. for extremely urgent and strict time-targeted requirements and only in exceptional circumstances when normal issue of enquiries is not permissible because of extreme urgency. All such cases shall require prior approval of Director or D.G.
5.4	<u>Above Rs.20,000</u> For each item of purchase/work	(i)	by <u>open tender</u> –through press advertisement, and based on the lowest technically acceptable tender out of at least three valid tenders.
		(ii)	by <u>limited tender</u> – as indicated in item 8.2(a) and 8.2(b)
		(iii)	by <u>single tender</u> – directly from the manufacturer or sole distributor when the article to be purchased is a proprietary item (for definition and procedure, see item no.7.8).For purchase on the basis of single tender for non-proprietary items, the case shall be referred to Executive Committee or Director General when the amount exceeds Rs.10,000.

6. VARIOUS STAGES AND PROCESSING TIME FOR INDIGENOUS PURCHASE

6.1 Following are the various stages in the procurement of stores from indigenous sources along with optimum processing time:

6.1.1	Indent/requisition for purchase of stores from Division/Projects/Stores Officer	
6.1.2	Notice inviting tenders/enquiries	1 to 3 days
6.1.3	Opening of tenders/quotations	7 to 14 days
6.1.4	Scrutiny of tenders/quotations and tabulation of comparative statement thereof	1 to 3 days
6.1.5	Selection of material by indenter	1 to 3 days
6.1.6	Pre-audit of purchase proposals by Finance	1 to 3 days
6.1.7	Formal sanction by competent authority	1 to 2 days
6.1.8	Placement of order	1 to 2 days
6.1.9	Delivery time	*
6.1.10	Clearance from Railways, Road, Transport Companies, postal authorities, Airlines etc.	1 to 3 days
6.1.11	Passing and payment of bills (see item 17)	<u>8 to 15 days</u> <u>22 to 48 days</u> Plus delivery time

*Note:	Minimum time for getting a material in store is 15 days from the receipt of indent in purchase section. It may take longer time if the indent is a long one with many items and/or if delivery time taken by supplier is long.
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The action to be taken at each of the above stages is explained in the following paragraphs:

7. **INDENT STAGE**

- 7.1 The indent for the procurement of stores should be raised in the prescribed proforma (Form P-1).
- 7.2 Separate indents for assets/non-consumables/consumables of different categories should be raised.
- 7.3 The indenter should certify on the indent:
- (i) Project Code
 - (ii) Purpose of purchase
 - (iii) Budget sub-head
 - (iv) Whether the unit cost is below Rs.20,000/-.
- 7.4 The indent must indicate detailed specifications and reliable sources of supply – if known.
- 7.5 Indents involving estimated value beyond Rs.20,000/- will require approval by the Director or DG < NCSM.
- 7.6 If repeat orders are likely to be placed during next one year depending on possible future requirements, the indent shall clearly indicate the 'quantity immediately required' and also 'additional quantity which may be required in next one year'. This must be indicated in the enquiry issued to suppliers.
- 7.7 For indents relating to the procurement of Stores on "proprietary" basis, the proforma giving technical reasons should be signed as under by the Head of the Division/Area.
- 7.8 **PROFORMA FOR PROPRIETARY/SPECIFIC BRAND GOODS**
- (i) Description of item, type, model no. including general specification :

- (ii) Name of the manufacturers/suppliers of the item suggested by the Indentor :
- (iii) Is there any other manufacturer/supplier of this item in the market :
- (iv) If answer is 'yes' for item 3 above, why same is not considered?
(Indentor must bring out comparative mandatory advantages of the item selected from the types offered by others) :
- (v) If in the knowledge of the indentor, there is no other manufacturer/supplier or this item, why public/limited tender cannot be issued to locate possibly more suppliers? :

The information given above is correct to the best of my knowledge and belief.

(Indentor)
Head of the Indenting Division

Note: Standard products viz. furniture, fans, electrical fixtures, common tools, meters etc. for which comparative products by other manufacturers are available in market, shall not be considered as 'proprietary item'.

7.9 In the event of any major change in specifications of an indented item, requiring fresh quotations, a revised indent should be given.

7.10 EMERGENT Indents be raised in exceptional circumstances of extremely urgent and strict time-targeted requirement, specifying the need for procurement on emergent basis. Such indents will be processed, after obtaining the approval of the Director or D.G., by a Committee consisting of three Scientific/Technical Officers.

7.11 PROCUREMENT OF STORES ON THE DGS&D RATE CONTRACT

Where DGS&D Rate Contract exists, material may be procured at DGS&D rates, provided the suppliers accept supply orders on museum's order forms and agree to supply materials directly to museum/centre instead of channelising through DGS&D.

7.12 INDENT REGISTER

All purchase indents shall be entered in the Indent Register (Form P-2) and its serial number with date may be given on the original copy of the indent (to be retained in the Purchase Department) and office copy (to be retained by the Indentor).

7.13 RATE/RUNNING CONTRACTS/AGREEMENTS

Rate/Running Contracts/Agreements may be concluded with the manufacturers for the supply of consumables, livery items, stationery and other items of regular use depending upon their total annual consumption and cost. The period of currency of such rate/running contracts/agreement normally should be one year.

8. SYSTEM OF INVITING QUOTATIONS/TENDERS

8.1 If the total estimated value of an item exceeds Rs.20,000/- OPEN TENDERS through press and/or India Trade Journal should be invited. Copies of the tender letters should also be simultaneously mailed to known manufacturers/suppliers in the line.

8.2 The condition of press advertisement may be dispensed with in the following cases :

- (a) If the sources of standard suppliers are definitely known and no useful purpose is likely to be served by inviting open tenders and tenders are invited from all such known sources.
- (b) When materials/work are to be of very high standard and quality (viz. construction, fabrication of exhibits, prestigious publications etc.) which can be ensured only by inviting tenders from selected specialized agencies of similar rank and standard; and when press advertisement would bring in incompetent suppliers/agencies who would not be able to execute the work or produce desired quality and would simply under quote. Indentor has to record full justification and obtain prior approval of DG, NCSM before processing such cases. Director or D.G. will ensure that a shortlist of contractors/manufacturers/suppliers of similar standard is prepared for such items after a press advertisement or thorough market survey is made and after all credentials are scrutinized by a committee appointed by Director or D.G. Care must be taken to issue enquiries only to the parties enlisted in the shortlist and to all of them.

8.3 COST OF PUBLIC TENDER DOCUMENT

(a) <u>Estimated value</u>	<u>Cost</u>
Upto Rs.1.00 lakh	Rs. 10/-
Above Rs.1 lakh and upto Rs. 5 lakh	Rs. 20/-
Above Rs. 5 lakh	Rs.100/-

- (b) No Tender Document Fee will be levied in such of the cases, where suppliers will be asked to submit their offers on the basis of the advertised specifications and it is not necessary to issue separate tender documents.
- (c) No Tender Document Fee will also be charged from the Government Departments/Public Sector Undertakings (both Central & State) and Consulates of foreign governments in India. Tender documents, if requested may also be supplied free of cost to Small Scale Industries Units borne on the list of National Small Industries Corporation.

8.4 EARNEST MONEY

In such of the cases, where fabrication and/or supply/erection/ commissioning of the equipment is required, earnest money @2.5% of the estimated cost of the item of stores rounded up to nearest tens of Rupees, should be obtained from the bidders along with their offers by way of cross demand drafts/bank guarantee from any of the nationalized banks.

Earnest Money Deposits in respect of such of the offers, which have not been accepted will be returned within 30 working days from the date, a final decision is taken about the source from which the equipment is to be procured or within two months from the date of the opening of the tenders – whichever is earlier.

8.5 LIMITED TENDERS

Where the total estimated value of the indent does not exceed Rs.20,000/- limited tenders may be invited from at least five or preferably seven firms in the line in form No.P-3. If the number of the possible sources is less than seven the enquiries shall be mailed to all the known firms in the line. At least seven days but preferably 14 days should be given to the suppliers to submit their offers, which may be reduced in case of 'Emergent Tenders'.

- 8.6 For indents involving an estimated value below Rs.500/- purchase may be made after comparing rates over phone or by market survey and recording on vouchers that the price is reasonable.

8.7 ACCEPTANCE OF LATE/DELAYED TENDERS

Late tenders/delayed tenders are NOT to be considered.

- 8.8 (i) All tenders in double sealed envelopes will be put in the tender box. The tender box will be kept in the room of the Administrative Officer. The tender box will be kept locked.

- (ii) Tenders which are received in the cover bearing no indication on it that there is a tender document inside and opened at Dak stage will be closed back in a new cover along with the original cover (bearing postal stamp, if any) and initiated by Section Officer/Administrative Officer with suitable remarks and indicating tender reference number and due date of its opening on the cover before its being put in the tender box.
- (iii) Tenders will be opened in the presence of the tenderers, if any, by three officers of the Purchase & Stores Committee on due date of the opening of tenders. Summary sheet of the tenders received will be compiled in form P-4.
- (iv) Tenders must not be opened before their due time and date of opening.

8.9 A tender register will be maintained as per form P-5.

8.10 EXTENSION OF LAST DATE

Last date for receiving tender may be extended, after obtaining approval from Director or D.G., if less than three tenders are received by due date. Such extension shall be intimated in writing to all parties from whom tenders were invited (or by a short press notification in case of open tender).

8.11 THREE QUOTATIONS/TENDERS

Minimum three valid quotations or tenders are required for comparison of prices before making purchase unless it involves proprietary item. In case of extreme urgency, purchase may be made on the basis of single tender up to Rs.10,000/- and two tenders up to R.50,000/-, if three tenders are not received by due date, provided that the Director records in file that i) loss of time due to extension will severely affect the progress of a time-targeted work, and ii) the price quoted in tenders are reasonable and competitive. Such cases shall be exceptional and shall not be a routine matter. For single tender over Rs.10,000/- or for purchase over Rs.50,000/- the case shall be referred to Executive Committee or D.G., NCSM.

8.12 SPECIAL CLAUSE FOR DRAFTS

A special clause shall be inserted in the enquiry that all payments shall be made by account payee cheques. If contractor/supplier insists on payment by bank draft, the bank commission shall be deducted from the bill.

9. **COMPARATIVE STATEMENT**

Comparative Statement (Quotation chart) should be compiled for all accepted offers, indicating net price of uniform units, i.e. after taking out the element of discount, if any, brand make offered, details of all levies like excise duty, sales tax, surcharge, delivery charge etc., delivery schedule, terms of supply payment guarantee and other relevant particulars. Comparative statement will be compiled in form P-6. The comparative statement shall first be checked by Stores & Purchase Officer and then placed before the Indenting Officer.

10. **RECOMMENDATIONS:**

- 10.1 Recommendations on offers shall be made by the Originators of the indent. In case where the offer of other than the lowest bidder is proposed to be accepted, such recommendations should be duly confirmed by the Director or D.G. Technical reasons for by-passing the lowest offer should be recorded specifically.
- 10.2 In cases where the proposal is for purchase of standard/shelf items, such as office equipment, air-conditioners, furniture, tyres and tubes etc., the Purchase Officer may himself finalise the recommendations on the basis of the lowest offers where such offers are precisely identical to the indenter's requirement without reference to the indenter. In case of any variation or in case of doubt, the offers may be referred to the indenter.
- 10.3 After getting the indenter's recommendations, the Purchase Division will process the case further and obtain sanction of the Competent Authority in the prescribed proforma (Form P-7).

11. **PRE-AUDIT**

- 11.1 In all cases pre-audit is necessary before approaching the sanctioning authority.
- 11.2 Availability of budget provision has to be ensured from Finance Section before approaching the Sanctioning Authority.
- 11.3 Finance & Accounts Officer shall ensure that all requirements of purchase procedure have been observed. In case of any deviation, approval of Director or D.G. must be obtained.
- 11.4 It should be checked whether the lowest offer is accepted and in case the lowest offer is not accepted, reasons for the same are recorded in writing by the authority to decide the case and the same is available in file.

- 11.5 It should be ensured that the terms and conditions as incorporated in the Purchase Orders are as per the quotation/tender accepted by the Competent Authority.
- 11.6 It should be verified whether in the Purchase Order there are any unusual conditions or deviations from the prescribed standard terms and conditions and if so whether the approval of the Competent Authority has been obtained to accept the same.
- 11.7 Wherever there is disagreement by F.A.O., the matter will be referred to the Director or D.G. and his decision will be final.

12. SANCTIONING AUTHORITIES

i)	Beyond Rs.25 lakh for purchase or beyond Rs.50 lakh for works	Executive Council of Museum/Centre or Governing Body, NCSM
ii)	Rs.50,000 to Rs.25 lakh for purchase and Rs.50 lakh for works	Executive Council of museum/centre or D.G., NCSM
iii)	Upto Rs.50,000	Director of museum/centre
iv)	Up to Rs.10,000	Certain Officers who are specially authorized by DG, NCSM
v)	Up to Rs.1,000	Project Coordinators
vi)	Items of Appendix B of NCSM Byelaws	Administrative Officer or such other Officer as authorized by D.G., NCSM

Note:

- (a) Sanctioning power vests on such authorities subject to budget provisions.
- (b) All purchase proposals must be sanctioned by the appropriate authority before placing the order or making the cash purchase. Ex-post-facto sanctions shall be avoided by all means.

13. SIGNING OR PURCHASE ORDRS

- 13.1 All Purchase Orders will be signed by the Stores & Purchase Officer or in his absence by Section Officer/Administrative Officer.
- 13.2 Purchase Orders will be issued in the proforma as under:
- (a) Orders for indigenous Stores in form P-8.
- (b) Orders from imported Stores in form P-9.
- 13.3 All purchase made on credit basis must be on the basis of the firm Supply Orders.

- 13.4 No Supply Order shall be issued independent of the Purchase Department. This procedure will apply to even such stores, which are expected to be received free of cost.
- 13.5 All Purchase Orders, before their issue, will be entered in the Indian Order (commitment) Register (Form P-10) and Foreign Order Register (Form P-11). The serial number of the Order Registers will always be indicated after the file numbers. Serial numbers of Foreign Order Register may be given after the file number with prefix "F".
- 13.6 Copies of purchase order shall be endorsed to:
- i) Stores
 - ii) Indentor
 - iii) Finance

14. **ESCALATION OF PRICE**

No escalation of price is normally admissible after opening the tender or after placing the order. For cases, where escalation is apparently justified because of statutory levies after opening of tender or placement of order, the matter must be resubmitted to F.A.O., and then Director or D.G. for scrutiny and decision.

15. **ISSUE OF REPEAT ORDERS**

Repeat Orders may be placed on the following conditions:

- 15.1 Within six months from the date of original order. This may be extended to one year on discretion of Director or D.G.
- 15.2 The items to be ordered again should be of identical specifications.
- 15.3 The Purchase Officer should be satisfied that there is no downward trend in the market price.
- 15.4 The quantity to be ordered shall not normally exceed the quantity in the original order. Director or D.G. may consider repeat order for larger quantities in case of extreme urgency.
- 15.5 The original order should have been placed for a proprietary item or on the basis of lowest technically acceptable quotation.
- 15.6 The original order should not be an 'emergency' order or an order placed on 'Preferred Delivery' basis.

- 15.7 Efforts should be made to obtain quantity discount from the supplier.
- 15.8 Repeat Order may also be placed on the basis of the Purchases finalized by a sister museum/centre.
- 15.9 Several repeat orders may be placed during one year after placing first order, depending on time to time requirements, if such possibility is indicated in the enquiry and the contractors/suppliers have been asked to quote their rates accordingly.

16. **FOLLOW UP OF PURCHASE ORDERS**

- 16.1 Purchase Section will be responsible to ensure that Purchase Orders are regularly followed up and materials ordered are supplied by parties concerned within the stipulated delivery period.
- 16.2 Orders follow-up letters will be regularly issued to pursue suppliers to supply materials as per delivery schedule. When the delivery date have expired, the firm should be asked to indicate the revised date by which they expect to supply. The extension in deliveries may be granted subject to penalties in the contract, if any.

17. **PASSING AND PAYMENT OF BILLS**

Since prompt payment of the amount due to the suppliers builds the credit worthiness of the museums/centers in the market, all concerned viz. the Purchase, Stores, Accounts Department and the Indentor shall ensure that the payment of all bills are arranged as expeditiously as possible.

- 17.1 Before passing bills for the supply of stores, it shall be ensured:
- i) That the sanction of the competent authority to the expenditure exists.
 - ii) That stock entry and inspection certificate has been recorded on the body of the bill by the Stores Officer.
 - iii) Rate and other charges are in accordance with the Purchase Order.
- 17.2 The bills shall be submitted by the supplier in triplicate. These shall be received in the Purchase Section and entered into the "Register for bills and payments" (Bill Book – form P-11) and action initiated by forwarding all the three copies to the Stores Department for inspection and recording stock entry certificate thereon in respect of quality and quantity of goods received.

- 17.3 On receiving the materials in store and even before receiving the suppliers bill, the Store Supervisor/Keeper shall immediately inform the indenter, over phone, of the arrival of materials in store. The indenter shall promptly inspect materials or arrange inspection by a Competent Officer and give a certificate on the reverse of the bill (in triplicate) in the following manner:

For purchase of stores

Certified that stores have been examined by me and found acceptable in accordance with the quality, quantity and specifications ordered for.

Inspecting Officer

For cash purchase only

Certified that the materials were purchased at reasonable local market price/directly from the manufacturer. It is also certified that stores have been examined by me and found acceptable in accordance with the quality, quantity and specification ordered for.

Inspecting Officer

For executing some work

Certified that the work has been done satisfactorily and as per our specifications and requirement. The claim is reasonable.

Inspecting Officer

In case some materials are found defective, it shall be recorded in the inspection certificate. The Store Supervisor/Keeper shall immediately contact the party over phone or through mail and ask for prompt replacement, after which he shall again arrange inspection by the indenter. If the replacement is expected to take time, the Store Supervisor/Keeper shall give stock entry certificate for the portion of order received in good condition and pass on the bill to the Purchase Section for part payment, if so recommended by the indenter.

- 17.4 The Store Supervisor/Keeper will then enter the materials in stock and give the following certificate on the bills in triplicate:

“Certified that the material has been taken on stock vide Daily Receipt Register No.....
Sl. No. dt. & Stock Ledger page/
Cardex Card No.”

Stores Assistant

Stores Officer

Date:

Date:

- 17.5 The 1st and 2nd copies of the bill shall be returned to the Purchase Department along with certification both from the Stores Department and the Indentor. The details of freight or demurrage charges incurred or other deductions to be made, if any, must also be detailed in the certificate recorded by the Stores Department. The third copy shall be retained in the Stores Department.

- 17.6 The Purchase Department shall after scrutiny and where necessary, making deductions for the rejected stores or other reasons record the following certificate on the body of the bill and shall forward the same to the Accounts Department for arranging payment.

“Certified that the bill is in order and may be admitted for payment for Rs.....
Budget sub-head
Project Code No.
Sanction O.M. No. dated
for Rs.”

Purchase Officer

Suitable entry shall also be made in the indent register and in the Indian/Foreign Order Register as well as in the “BILL PASSING REGISTER” (Form P-12)

- 17.7 The original copy of the bill shall be forwarded to the Finance & Accounts Officer on the above form for audit and payment and the duplicate copy shall be retained in Purchase Department. No file will ordinarily be sent to the Accounts Department along with the bill unless demanded by them in a particular case, in view of the fact that the Purchase has been pre-audited before the sanction was obtained and a copy of the sanction

memo and order are already available in Accounts Department. The Finance Section shall deduct the bank commission from the bill if the supplier/contractor insists on payment by bank draft. Otherwise payment shall be made by account payee cheques.

- 17.8 The Finance & Accounts Officer after making payment of the bills, shall return the covering memo i.e. Form P-13 to Purchase Department for record in the relevant file mentioning retrenchment or observation, if any, therein.
- 17.9 The Purchase Department shall on receipt of discrepancy/rejection report from the Stores Officer take steps for the replacement or recovery of cost of materials found damaged or received short from the suppliers, or from the Insurance Co., Railway or others as the case may be. All cases involving recovery/refund of claims shall be entered in the Register of Claims & Refunds (Form P-14).
- 17.10 All cases, in which advance payments have been made against purchase orders before the receipt of stores, should be entered in "Advance Register" (Form P-15). In addition, where letters of credit have been established, their particulars should be entered in the L/C Register (Form P-16). These cases may be carefully and vigorously pursued till their finalisation and adjustment. Requisite entry against adjustment of advance payments and finalisation of L/C cases will be made against the relevant entries in the Advance Register and L/C Register.
- 17.11 ALL BILLS MUST BE SETTLED LATEST WITHIN 15 DAYS from the date of the receipt of bill from the party. Different Officers must follow a strict time target for passing the bills according to the following schedule:

Entry in Bill Register by Purchase Section	:	1 to 2 days
Inspection Certificate by Indentor	:	2 to 3 days
Stock Entry by Stores	:	2 to 3 days
Checking by Purchase	:	2 to 3 days
Checking by Finance & issue of cheques/drafts:		<u>2 to 5 days</u>
	TOTAL	<u>8 to 15 days</u>

All sanctions must ensure that bills are promptly sent to the next section through suitable peon books so that track can be kept.

However, where some commitment for settlement of the suppliers bill within some specified period has been made, efforts by all concerned will be made to ensure that payment is arranged within the agreed period.

18. PURCHASE IN RSC/DSC

For purchase in Regional/District Science Centres having no Stores & Purchase Officer nor a Finance & Accounts Officer, the following procedure shall be adopted:

18.1 PROCEDURE OF PURCHASE AND SANCTIONING AUTHORITY

Amount of Purchase	Procedure	Sanctioning Authority
Up to Rs.250	Cash purchase	Project Coordinator
Rs.251-500	Cash purchase as a very special case after recording reasons for urgency	Project Coordinator
Rs.501-1000	On the basis of lowest quotation out of at least 3 quotations	Project Coordinator
Rs.1001-10000	On the basis of lowest quotation out of at least 3 quotations	Such Officers who are authorized by DG to accord sanction upto Rs.10,000/-
Rs.10001-20000	On the basis of lowest tender out of at least 3 tenders (limited tender)	Director of respective museum/centre or DG, NCSM
Rs.20001-50000	On the basis of lowest tender out of at least 3 tenders invited on open tender basis through press advertisement	Director of respective museum/centre or DG, NCSM
Above Rs.50000	Refer to Executive Committee or DG, NCSM	-
Note:	All purchase shall be effected only after obtaining prior sanction from the competent authority. Proposals for ex-post-facto sanction shall not be admitted without DG's approval.	

18.2 NO HAND/VERBAL QUOTATIONS

For purchase over Rs.500 and upto Rs.20,000 enquiries must be issued to known suppliers in approved format giving reasonable time for submission of quotations. No purchase shall be effected through hand quotations or verbal quotations unless specially authorized by DG, NCSM on ground of extreme urgency prior to issue of such enquiries.

18.3 LIMITED TENDERS

All purchase above Rs.20,000 shall normally be made through open tender through press advertisement. Purchase may be effected through limited tender only in the following cases:

- i) Proprietary item;
- ii) When all the names of manufacturers are definitely known and enquiries are issued to all of them (for cars, lifts, computers etc.);

- iii) Emergent purchase, when reason for emergency is clearly recorded in file and purchase is effected by obtaining at least 3 sealed tenders after making a thorough market search by a committee appointed by Director or DG, NCSM.

18.4 SHORTLISTING

In specific cases where desired quality of work cannot be achieved through open tender because of underquoting by incompetent organizations such as in civil construction, printing of very prestigious publications, fabrication of exhibits etc., a shortlisting of manufacturers/suppliers/contractors of comparable standard may be made in advance by a committee appointed by Director or DG, NCSM and purchase shall be effected after enquiries are sent to all such parties included in the respective shortlist. Care must be taken that enquiry is not sent to any stray party outside the shortlist or no party in the shortlist is ignored.

18.5 PROPRIETARY ITEM

Proprietary items are those for which alternative products of other manufacturers/suppliers are not technically acceptable and sufficient reasons are recorded for such non-acceptability. Furniture, fans, electrical fixtures, common tools, meters etc. are not proprietary items. Practice of effecting purchase directly from a particular manufacturer, where alternative products are available in market, shall stop forthwith.

18.6 CASH MEMO/VOUCHERS

All cash memos and vouchers must be clearly written with indelible ink and bear signature with date. Such cash memos/vouchers must indicate S.T. registration number if S.T. is charged.

19. SALES TAX

Sales Tax is a statutory levy. It is an essential item of expenditure to be incurred on all purchases taking place in India as NCSM is not exempted from its payment. The enquiry must specifically mention that sales tax, if payable, must be clearly indicated in the quotation by suppliers along with their sales tax registration number. The amount of sales tax shall be included in the cost of material to arrive at the nett cost in the comparative statement. In case sales tax is not mentioned in the quotation, it is not admissible at a later stage. Sales tax is required to be paid according to the rates laid down by each State and/or Central Government. Special care shall be taken to ensure that sales tax registration number is indicated in the cash memo or bill submitted by the party.

20. **OCTROI/TERMINAL TAX ETC.**

The NCSM museums/centers are generally exempted from octroi or terminal tax but the sanction of the exemption in this behalf rest on the concerned local authorities. Appropriate action shall be taken sufficiently in advance to obtain octroi exemption from the concerned authority.

21. **DEMURRAGE/WHARFAGE**

No charges for demurrage/wharfage shall ordinarily be incurred in clearing goods at the docks or at the railway terminal. Every effort must be made to avoid this wasteful expenditure. Whether it is due to the negligence on the part of staff or supplier, responsibility for the same should be fixed and necessary recoveries effected as the case may be. Only in cases where such payment was necessary for circumstances beyond control, sanction or the competent authority shall be taken.