

**REVISED
PROCUREMENT PROCEDURE MANUAL (PPM)
(2017)**



**भारतीय पैकेजिंग संस्थान
Indian Institute of Packaging**

Celebrating 50 years

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PROCUREMENT PROCEDURE MANUAL

I. Introduction

The Indian Institute of Packaging prepared a Purchase manual in 2005 for the procurement of Goods and Services including of the work contracts. Subsequently, a communication is received from Department of Commerce, MOCI, Govt. of India to strictly follow GFR 2017 norms for any Capital expenditure from the grant-in-aid of Govt. of India. Based on this, the Purchase manual was revised in 2017 and the same was placed to 227th Governing Body meeting for approval. However, in the recent 228th governing body meeting held on 30th November, 2017, as per the resolution no. 228: 02, the GFR 2017 norms will be strictly followed for the government fund but, for IIP's own fund (Development fund), the principles of GFR will be followed as guideline in the event of any ambiguity. In addition, the norms for the revenue expenses as well as capital expenses was also finalized and accordingly, the Procurement Procedure Manual is revised and the same is placed to the 229th governing body meeting to be held on 18th December, 2017.

On approval, this Procurement Procedure Manual will be followed for all kind of OPEX as well as CAPEX of the Institute.

II. Stages of Procurement.

The procurement of material or equipments can be divided into the following distinct stages:

1. Budget/Fund provisions.
2. Placing of the Indent by the concerned departments/sections/divisions.
3. Consideration of indents by the respective Standing Purchase Committee (SPC-I & SPC-II)
4. Calling and processing of tender /quotations.
5. Evaluation of the tender/quotations by the respective SPC.
6. Placement of orders by Admn. Dept.
7. Receipt of materials/installation and submission of bills for payment.

1. Budget/Fund provisions :

Purchase shall be made only against specific budget provisions/Fund allocation. Processing of indents for purchase of equipments/material can be done without specific budget allocation in emergent cases, provided such cases are approved the Governing Body. However the PO/WO shall be placed only after making provision in the revised budget.

2. Placing of the Indent by the concerned departments/sections/divisions.

The departments/sections/divisions placing an indent for procurement have to ensure that;

- i. A detailed description of the equipment/services with specifications if any shall be submitted. The details, such as, the useful life of equipment, availability of spares, arrangement for maintenance etc. also to be highlighted.
- ii. The estimated cost of equipment with last purchase price/rate , if any may given .
- iii. In case of item is of proprietary nature, sepetrate justification has to be submitted along with the details of vendor, their addresses , other relevant documents etc shall be given
- iv. The space for accommodation/installation of the equipment along with any additional requirement of power, civil works, etc. shall be mentioned.
- v. A tentative schedule for tendering, placing of PO, supply/installation etc shall be submitted.
- vi. Budget provision for the procurement shall be given.

3. Consideration of indents by the respective Standing Purchase Committee (SPC-I & SPC-II)

There shall be two Standing Purchase Committees, namely SPC-1 and SPC-2. The details are given in the tabular form.

**TERMS AND REFERNECE OF
STANDING PURCHASE COMMITTEE – 1 (SPC-1) AS PER PROCUREMENT PURCHASE MANUAL (PPM)**

	OPEX from IIPs own Fund	CAPEX from IIPs own Fund
	Expenditure Approval	Expenditure Approval
Constituting Authority	Director	Director
Numbers	5	5
Head	Joint Director /Associate Professor	Joint Director /Associate Professor
Requisition / Indent limit	Up to Rs.500000/-	Up to Rs.250000/-
Process	Individual Department/Division/Cell with proper justification, specifications considering the allocated budget	Individual Department/Division/Cell with proper justification, specifications considering the allocated budget
Advertisement Responsibility	Admin division	Admin division
Inviting /submitting/ Analysis of Quotations	Admin division will invite and submit quotes to spc-1 who shall be responsible for Analysis of Quotes & Preparing Summary	Admin division for Inviting the quotations from the reputed parties and SPC-1 shall do analysis of the quotations and also submit the recommendation with proper justification to the Director for the approval of expenditure.
Approving Power	up to Rs.100000/-	recommending power only
Recommending Power	from 1 lacs up to 5 lacs	Director up to Rs.250000 & for more than Rs.250000/- Governing Body will be the approving authority
PO	Administration Division	Administration Division
	Payment Approval	Payment Approval
payment	Individual Department/Division/Cell after checking the materials/goods/service as per PO	Individual Department/Division/Cell after checking the materials/goods/service as per PO
To whom to submit	DD-A&A along with bills, challans on control sheet	DD-A&A along with bills, challans on control sheet
Who will check the bills/vouchers	Admin and/or accounts section	Admin and/or accounts section
Who will recommend	SPC - 1 will recommend the payment.	SPC - 1 recommend for payment to Director for approval.
Approval of payment by	SPC-1 up to Rs.100000/-. More than Rs.1,00,000/- and upto Rs. 5,00,000/- Director will approve the payment	Director up to Rs.250000/-. More than Rs. 2,50,000/-, Governing Body will approve the payment.
After Approval as above	All documents to be sent to Accounts	All documents to be sent to Accounts
Authorised Signatory	Director&DD Admin & Accts	Director&DD Admin & Accts

**TERMS AND REFERNECE OF
STANDING PURCHASE COMMITTEE – 2 (SPC-2) AS PER PROCUREMENT PURCHASE MANUAL (PPM)**

	OPEX from IIPs own Fund	CAPEX from IIPs own Fund	CAPEX (Govt. Fund)
	Expenditure Approval	Expenditure Approval	Expenditure Approval
Constituting Authority	Director	Director	Director
Numbers	5	5	5
Head	Senior most Professor	Senior most Professor	Senior most Professor
Requisition / Indent limit	More than Rs.500000/-	More than Rs.500000/-	More than Rs.500000/-
Process	Individual Department/Division/Cell with proper justification, specifications considering the allocated budget & will be submitted to SPC-2	Individual Department/Division/Cell with proper justification, specifications considering the allocated budget & will be submitted to SPC-2	Individual Department / Division / Cell with proper justification, specifications considering the allocated budget & will be submitted to SPC-2
Advertisement Responsibility	Admin division	Admin division	Admin division
Inviting /submitting/ Analysis of Quotations	Admin division by following PPM provisions & the principles of GFR as guidelines in case of any ambiguity	Admin division by following PPM provisions & the principles of GFR as guidelines in case of any ambiguity	Strictly GFR 2017 provisions to be followed.
Scrutinization of the quotations	SPC-2	SPC-2	SPC-2
Responsibility of SPC-2	Analysis of the quotations as per specifications and also submit the recommendation with proper justification to the Director for the approval of expenditure for OPEX only	<ul style="list-style-type: none"> • SPC-2 committee will be responsible for the analysis of Technical Bid by considering the company profile, technical competency, experinece of similar nature of work, length of experience, infrastructural facilities, availability of technical manpower, list of clients, Income Tax returns for last three years etc., for any testing and IT equipments, preparation of comparative chart and submit to the Capital Goods Committee for recommendation through Director. • In case of Capital works, the SPC-2 Committee will forward the technical bids to Architect / PMC for analysing the technical bids by considering the different aspects like copmany profile, technical competency, experinece of similar nature of work, length of experience, infrastructural facilities, availability of technical manpower, list of clients, Income Tax returns for last three years etc., and the comparative chart to be submitted to SPC-2. • SPC-2 will submit the summary sheet to Capital Goods Committee through Director for conducting personal interview of the parties and also shortlisting of the parties. • SPC-2 committee will open the commercial bid and forward the same to Architect / PMC for analysis and to prepare a comparative chart. Subsequently, SPC-2 will submit 	

	OPEX from IIPs own Fund	CAPEX from IIPs own Fund	CAPEX (Govt. Fund)
		the details to Capital Goods Committee through Director for consideration of the lowest bidder. The same will be submitted to the Governing Body through Core cum Finance Committee for approval.	
Recommending Power	SPC-2	SPC-2 / CGC / CCFC	SPC-2 / CGC / CCFC
Approving Power	Director within the approved budget	SPC-2 (as an interim arrangement) with the approval of GB	SPC-2 (as an interim arrangement) with the approval of GB
PO	Administration Division	Administration Division	Administration Division
	Payment Approval	Payment Approval	Payment Approval
Payment	Individual Department/Division/Cell after checking the materials / goods / service as per PO. Admin Division will be responsible for projects related to building construction	Individual Department/Division/Cell after checking the materials / goods / service as per PO. Admin Division will be responsible for projects related to building construction	Individual Department/Division/Cell after checking the materials / goods / service as per PO. Admin Division will be responsible for projects related to building construction
To whom to submit	DD-A&A along with bills, challans on control sheet	DD-A&A along with bills, challans on control sheet	DD-A&A along with bills, challans on control sheet
Who will check the bills/vouchers	Admin and/or accounts section	Admin and/or accounts section	Admin and/or accounts section. The bills would be certified by existing PMC and the same will be vetted by a third party i.e. Retd. Engineer from CPWD / PWD.
Who will recommend	SPC 2	SPC 2	SPC 2
Approval of payment by	Director (within Annual Budget approved by GB)	SPC-2 (as an interim arrangement)	SPC-2 (as an interim arrangement)
After Approval as above	All documents to be sent to Accounts	All documents to be sent to Accounts	All documents to be sent to Accounts
Authorised Signatory	Director and DD Admin & Accts	Director and DD Admin & Accts	Director and DD Admin & Accts

4. Calling and processing of tender /quotations

Based on the administrative approval of the Competent authority for procurement of a particular goods and services, The concerned SPC who are competent to analyze and recommend/approve the same will prepare the necessary Quotations/tender documents in consultation with the indenting department/PMC.

One of the following three types of tender will be used for procurement.

- a. Open tender - by advertising in the web/news paper
 - b. Limited tender - by sending enquiries to more than 3 limited reputed suppliers to get sufficient number of offers.
 - c. Single tender - In case of a propriety items.
- The open tender method shall normally be followed for all procurement worth more than rupees Five lakhs. Splitting of indents, in order to bring it outside the ambit of open tender method is not allowed.
 - Notice inviting open tenders shall be given in at least one national news paper (all India) and Institutes website.
 - The notice inviting tenders shall be short, clearly worded and unambiguous. It should give a brief description of the item / equipment to be procured, the qualification requirement for the supplier, the last date of receipt of completed tenders etc
 - Limited tender method shall only be followed in all procurements cases up to rupees Five Lakhs
 - Single tender method shall be followed only in rare cases where it is in the sure knowledge of the SPC and the indenter that the equipment to be procured is manufactured only by a particular manufacturer and there is no other option expect to go in for this equipment.
 - The following minimum time limit may be allowed to the bidders so that they can quote their best possible prices :
 - a. Open tender - Three weeks.
 - b. Limited tender - Two weeks.
 - Non refundable processing not less than Rs.1000/- shall be collected towards processing as an expenses towards cost of the tender documents and processing charges.

- in case of EMD amounting to 2% of the estimated value shall be collected along with the tender. However this condition may be waived or modified with the approval of competent authorities. The EMD amount of the successful bidder shall be adjusted against the security deposit.
- EMD amounting to 2% of the estimated value shall be collected along with the tender. However this condition may be waived or modified with the approval of competent authorities. Offers received without EMD shall be summarily rejected. Firms registered with DGS&D, NSIC and Govt. Public Undertakings who are exempted from payment of EMD may be exempted from this.
- The tender documents comprise the detailed technical specifications, conditions of contract, the proforma in which the tender is to be submitted etc in clear terms to avoid ambiguity in tender processing. In case of Two Bid system, it should be specifically mentioned in the tender documents that the EMD shall be send along with Technical officer. Technical offers without EMD shall not be considered for evaluation.
- Purchase of imported equipment shall be made directly from the original manufacturer or their authorized agents in India. It shall not be bought form the sub-agents of authorized agents. It shall be clearly stated in the tender document that purchases made for scientific purpose are exempt from Customs / Excise duty.
- While Buy-back option may be considered in case of of procurement of items like Computers, Scanners, Servers, laptop, LCD Projectors, Printers, Photocopies, Faxes, Refrigerators, Air conditioners etc.

5. Evaluation of the tender/quotations by the respective SPC .

- Tenders received shall be recorded in the receipt section as and when received. After the last date of submission of offer, Admn. Dept shall collect all offers and forward the same to the concerned SPC for opening and evaluation of the offers. Tenders received after the specified time and date of opening shall not be considered for opening and evaluation.
- A committee consisting of representatives of SPC's shall open the tenders. In case of Two Bid System of tenders , first the technical bids are opened and evaluated. For evaluation of tenders the help of PMC may be taken if necessary. The

recommendation of the SPC shall be submitted to the competent authority for approval.

- On approval of the competent authority for the shortlisted offers based on the technical evaluation, the commercial bids shall be opened by the concerned SPC. EMD of the non qualified offers shall be returned at the earliest.
- On evaluation of the commercial Bids, SPC concerned shall send its recommendation of the lowest offers for the approval of the competent authority.
- All the pages of the tender have to be initialed by the SPC committee. Alterations / corrections in the tenders should be initialed legibly by the officers opening the tender. In addition, a list of the representatives of the bidders present at the time of opening shall be prepared who shall write their name and the bidder they represent under their signature. If there is any discrepancy between the price quoted in figures and words, whichever is the higher of the two shall be taken as the bid price.
- If the bidder has quoted certain optional items or conditions the same shall be taken into consideration for the evaluation of the bids.

6. Placement of orders by Admn. Dept.

- On approval, the purchase order will be issued which should contain the item with description, rate, quantity ordered, Amount and terms & conditions like Delivery schedule, Place of Delivery, Payment terms, taxes & duties etc .
- Copies of all PO/WO shall be kept in Admn. department along with approval copies of the procurement.
- The indenting section /Dept. shall coordinate with the vendors to ensure prompt supply/installation of the equipments/materials. In case of undue delay the same may be taken up the competent authority for necessary follow-up actions including blacklisting of such vendors.

7. Receipt of materials/installation and submission of bills for payment.

- The receipt of all ordered materials/equipment shall be acknowledged by the Indenting section/Dept. promptly after proper verification of the documents. Any issue related transit

of materials, clearance from Air / Sea port/ transporter etc. Shall be taken up with the appropriate authority for settlement of the issues.

- The indenter shall inspect the materials as soon as they arrive and shall normally adhere to the schedule given by him the time of placing the indent. Normally the concerned indenting division should ensure completion of inspection within reasonable time. For imported equipments the packing may be opened in the presence of the Indian agent to avoid short/damaged supply and the inspection shall be completed within the validity period of the insurance policy so that the claims for shortage/ damage if any, can be lodged with the insurance company. Failure to inspect the material within the time schedule shall make the Indenter and the concerned Project leader responsible for the loss. Once the inspection is complete and the indenter certifies the inspection report.
- Indenter should ensure that the bill containing the stock entry reference and copy of the inspection report is sent to admin after the inspection is over. The Administration section shall put up the papers for the approval of competent authority & shall arrange the payment to the vendor.

III. Miscellaneous

- Director may suitably decide about the composition of Standing Purchase Committee at Regional offices and its functioning.
- All existing rules and instructions on procurements shall be superseded on operation of the above manual.
- Various forms like Indents, Proprietary certificate, BG formats etc prescribed for procurement of Goods and services will be used by Institute also.
- If any rules/clauses are not specifically mentioned, rules of GFR 2017 will be followed.
- The procedure may be reviewed at suitable intervals if required.
- The Governing Body may relax any of the provisions out lined in this manual on time to time.



Dy. Director (Admin & Accounts)