

مولانا آزاد نیشنل اردو یونیورسٹی
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MAULANA AZAD NATIONAL
URDU UNIVERSITY, HYDERABAD



PURCHASE MANUAL

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1.0.0. Introduction

Objective of the Manual

The University spends a sizeable amount of its budget for purchasing various types of goods to discharge the duties and responsibilities assigned to it. It is imperative that these purchases are made following a uniform, systematic, efficient and cost effective procedure, in accordance with the relevant rules and regulations of the Government.

The Ministries / Departments have been delegated powers by the Government of India to make their own arrangements for procurement of goods under the Delegation of Financial Power Rules, which have to be exercised in conformity with the orders and guidelines issued by competent authorities covering financial, vigilance, security, safety, counter trade and other regulatory aspects. Without purporting to be a comprehensive compendium of all statutory provisions, rules, regulations, orders and guidelines on the subject of public procurement, this Manual is intended to serve as a portal to enter this vast area and draw attention to basic norms and practices governing procurement by the University.

1.0.1 Fundamental principles of public buying

- 1 Every authority delegated with the financial powers of procuring goods in public interest shall have the responsibility and accountability to bring efficiency, economy, and transparency in matters relating to procurement and for fair and equitable treatment of suppliers and promotion of competition in public procurement.

The procedure to be followed in making public procurement must conform to the following yardsticks :

- i) The specifications in terms of quality, type etc., as also quantity of goods to be procured, should be clearly spelt out keeping in view the specific needs of the procuring organisations. The specifications so worked out should meet the basic needs of the organisation without including superfluous and non-essential features, which may result in unwarranted expenditure. Care should also be taken to avoid purchasing quantities in excess of requirement to avoid inventory carrying costs;
- ii) offers should be invited following a fair, transparent and reasonable procedure;
- iii) the procuring authority should be satisfied that the selected offer adequately meets the requirement in all respects;
- iv) the procuring authority should satisfy itself that the price of the selected offer is reasonable and consistent with the quality required;
- v) at each stage of procurement the concerned procuring authority must place on record, in precise terms, the considerations which weighed with it while taking the procurement decision

1.0.2 Transparency, Competition, Fairness and Elimination of Arbitrariness

Procurement of goods and services by the University should be conducted in a transparent manner to bring:

- Competition,
- fairness and

- Elimination of arbitrariness in the system

These will enable the prospective renderers to formulate competitive tenders with confidence.

- 1.1.3. Provision of adequate and timely supply of material to the University is of prime importance for carrying out meaningful and uninterrupted operation as well as for meeting the completion of various in house & sponsored conferences in our University. While the Purchase Manual strives to lay down procedure for procurement right quality of purchase in right quantity at right place from the right sources in fair and transparent manner.

This purchase manual has been prepared taking into account the basic canons of financial propriety viz.,

- 1 Every executive should exercise the same vigilance in respect of expenditure incurred on any account as a person of ordinary prudence would exercise in respect of expenditure of his own money.
- 2 No one should exercise its powers of sanctioning expenditure which will be directly or indirectly to its own advantage
- 3 No finance executive should concur any expenditure, which is likely to involve at later date expenditure beyond its own power of concurrence
- 4 The amount of allowances (such as traveling allowances) granted to meet the expenditure of a particular type, should be regulated so that the allowance on the whole does not become a source of profit to the recipient
- 5 The expenditure should not be prima facie more than the occasion demands

2.0.0. Terminology and abbreviations

Standard terminology has been adopted in this Manual. In certain areas, there may be two or more widely used terminologies bearing the same meaning as mentioned below:

- a) University means the Maulana Azad National Urdu University.
- b) Purchase Officer means, the Registrar of the University
- c) Indentor means the authority sending a requisition for procurement of goods and services. The Indent should be routed through the Section Head/Department Head only.
- d) Goods means and includes all articles, material, commodities, furniture, fixtures, raw material, spares, instruments, machinery, equipment etc., purchased or otherwise acquired for the use of the University
- e) "Competent Authority" means, in respect of the power to be exercised under any of these rules, the Vice-Chancellor such other authority to which the power is delegated by or under these rule.
- f) Tender, Bid, Quotation. (Meaning: offer received from a supplier)
- g) Tenderer, Bidder (Meaning: an entity who seeks to supply goods by sending tender / bid)
- h) Tender Enquiry Document, Tender Document, Bidding Document. (Meaning: a detailed document issued by the purchaser specifying his needs and the requirements that a potential Tenderer / bidder must meet).

- i) Notice Inviting Tenders, Invitation for Bids (Meaning: advertisement containing brief details of the requirement).
- j) Earnest Money Deposit, Bid Security. (Meaning: monetary guarantee furnished by a Tenderer along with its tender)
- k) Security Deposit, Performance Security. (Meaning: monetary guarantee furnished by the successful Tenderer for due performance of the contract concluded with it.)

3.0.0. Authorities competent to purchase goods and their Purchase Powers

An authority which is competent to incur contingent expenditure may sanction the purchase of goods required for use in public service in accordance with Schedule V of the Delegation of Financial Rules, 1978, following the general procedure contained in this Manual.

A demand should not be split into small quantities for the sole purpose of avoiding the necessity of taking approval of the higher authority required for sanctioning the purchase of the original demand.

There shall be a Purchase and Stores Department/Section headed by the Assistant Registrar (Purchase & Stores) under the control of Registrar to deal with the procurement of required items and monitor their distribution among various indenting departments/sections

4.0.0. Functions, responsibilities of Purchase and Stores Branches

1 Purchase Branch

- 1 Monitoring Indent Monitoring System
- 2 processing of Indents received including scrutiny, consolidation of requirements of different departments of the University,
- 3 obtaining administrative and financial approvals, tender processing, placing purchase orders
- 4 maintenance of records of procurement, budget control Registers
- 5 Reconciliation of expenditures figures as per Purchase/supply orders with those booked by the Finance Department.
- 6 Reports of MIS

2 Stores Branch

- 1 Maintenance of Stores Records viz., Register of Assets
- 2 Distribution of goods purchased to the Indent Departments
- 3 Annual physical verification of assets of the University with the records of user Departments and submission of report to the Vice-Chancellor on the result of such verification.

5.0.0 Registration of Suppliers

- i) With a view to establishing reliable sources for procurement of goods commonly required for Government use, the Central Purchase Organisation of GOI (e.g. DGS&D) prepares and maintains item wise list of lists of eligible and capable suppliers. Such approved suppliers will be known as Registered Suppliers.

The University shall utilise these lists as and when necessary. Such registered

suppliers are prima facie eligible for consideration for procurement of goods through Limited Tender Enquiry. They are also ordinarily exempted from furnishing bid security along with their bids.

The University may also register suppliers of goods which are specifically required for it.

- ii) Credentials, manufacturing capability, quality control systems, past performance, after-sales service, financial background etc. of the supplier(s) should be carefully verified before registration.
- iii) The supplier(s) will be registered for a fixed period (between 1 to 3 years) depending on the nature of the goods. At the end of this period, the registered supplier(s) willing to continue with registration are to apply afresh for renewal of registration. New supplier(s) may also be considered for registration at any time, provided they fulfill all the required conditions.
- iv) Performance and conduct of every registered supplier is to be watched by the University. The registered supplier(s) are liable to be removed from the list of approved suppliers if they fail to abide by the terms and conditions of the registration or fail to supply the goods on time or supply substandard goods or make any false declaration to the University or for any ground which, in the opinion of the University is not in public interest.

6.0.0. Delegation of Powers

Delegation of Administrative / Financial powers among the Officers of the University for Procurement of different categories furniture / stationery / equipments etc., Constitution of Committees

Registrar

Up to Rs. 50,000/- on specified items or already once purchased by the University. For new and specific items administrative approval of the Vice-Chancellor is compulsory.

Vice-Chancellor

Full powers

For this purpose a Permanent Master File/register has to be maintained by the Purchase Branch to decide whether a particular item is new or already purchased.

7.0.0 Stages of Procurement

The procurement of material in our University can be divided into the following distinct stages :

- a) Finding the Budget
- b) Prioritisation of purchase of material within the budget on necessity of the University
- c) Placing of the Indent by the Department Heads and other officers concerned after verifying the non availability in stock.
- d) Scrutiny by the Purchase Department
- e) Calling for tender / quotations and processing of tender papers by the purchase

- department
- f) Evaluation of the tenders / quotations by the respective PURCHASE COMMITTEE
- g) Submission of the papers to the competent authority for sanction.
- h) Placement of Purchase orders
- i) Receipt of supplies of goods as per specifications
- j) Handing over of the indented goods to the user departments

7.0.1 Finding the Budget:

No purchase will be made in the University unless there is a specific budget provision for such a purchase

Based on the necessity of the user requirements and availability of budget, the indents should be prioritized under 'Urgent' and 'Planned' categories. Accordingly, the requirements of different departments on hand have to be placed.

7.0.2 Placing of the indent by the Head of the Department / other officials:

Whenever an indent is placed by the Head of the Department/ other concerned official, he has to ensure that the following details accompany it

- a) a detailed description of the item/service required including summary of its function and detailed specifications including whether the requirement is fresh or additional or replacement
- b) necessity for procurement of such item/service and without such item/service how the requirement was being met. If any in lieu item/old item is remaining with the department how it is proposed to use it.
- c) the estimated cost of the item/service, last purchase price if any
- d) the list of available vendors, their addresses, past experiences if any.
- e) A certificate to the effect that the item is of proprietary nature, if it has to be bought from a known, single source. (This certificate shall be given by the indenter, which shall be duly approved by the Competent authority)
- f) Emergency purchase certificate, in case of purchase is to be made on emergent basis.
- g) Budget provision certificate duly linking with the Project/ scheme.
- h) if such item being procured is available in the University / Dept how will the current item/ service will be utilized after the purchase of new item/ service.
- i) All indents should invariably indicate whether the requirement of a particular item is in replacement of existing one or for a new item. If the requirement is for replacement of the existing item, suitable certificate of 'obsolete' condition has to be enclosed with the approval of the competent authority.
- j) In case of replacement of the existing item, the proposal of buyback, if any, applicable should be clearly specified by the Indenting authority.
- k) In cases of proposals of civil and electrical works, involvement of the concerned

University Officials is compulsory for the purpose of technical specifications and supervision of execution is compulsory.

1) **Recording of no-stock certificate by the Department**

- a) The indent together with its enclosures will be endorsed with a certificate by the Department raising the indent that no-stock said item is available.
- b) The indent will then be sent to the Purchase Department which will check it for correctness of details and will decide the mode of procurement. The detailed procedures and practices in this regard are given at 7.0.5

7.0.3 Indents

- 1 Purchase section has to thoroughly check the indent to ensure that they are strictly raised as per the purchase procedure. Purchase section should not accept indents, which are faulty or incomplete and return such indents to the indenter within two working days
- 2 The Purchase Officer shall satisfy himself that funds are available for the purchase of such item / service
- 3 The Indenter / HOD / Purchase Section shall ensure that the specifications suggested by the indenter confirm to the latest BIS specifications wherever applicable.
- 4 Since Time is of the essence, the Purchase Officer while vetting the indents must play a facilitating role. This role is to guide the indenter in order that the right item is bought at the right price. If necessary, he could help the indenter raise the indent in the correct manner by giving him relevant inputs.

7.0.4 Sanction for Purchase

After the vetting of the indent the Purchase Officer shall move a file for purchase of the said item/service to the Registrar.

If the value of the purchase is less than Rs 50,000 the Registrar will accord sanction to the purchase and send the file to the Finance Section for further necessary action

If the value purchases proposed exceeds Rs 50,000, the Registrar shall move the file to the Honorable Vice Chancellor for approval.

After the approval of the Vice Chancellor the file shall be sent to the Finance section for further action.

If any of the sub-items purchased thereafter exceeds the sanction of the VC fresh sanction of the VC shall necessarily be taken.

7.0.5 Mode of Procurement

1 **Items of office consumption**

In case of purchase of goods of office consumption up to Rs.1,00,000 the Purchase Officer at the discretion and necessary certification of a Local Purchase Committee, constituted for the purpose can purchase such items directly from Kendriya Bhandar/NCCF without inviting quotations or bids. However, reasonableness of the rates, quality, specifications etc, shall be certified by the Local Committee.

However at no time the supply orders shall be split under any circumstances with the objective of circumventing the limit of Rs.1 Lakh.

For the purpose of ensuring strict compliance of the objective, the estimated cost of all the indents from various departments on hand have to be considered both for planned procurement and urgent procurement.

The University shall adopt the Indent Monitoring System as detailed in the Annexure 14.

In case of procurement of items of office consumption beyond Rs.1 lakh up to Rs. 25 lakh, limited tenders as indicated in Para below shall be called for and quotation of Kendriya Bhandar and NCCF shall also be called for among others suppliers.

Other things being equal, Purchase Preference will be granted to KB / NCCF, if the price quoted by the co-operatives is within 10% of the L-1 price and if these cooperatives are willing to match the L-1 price. No price preference over and above the L-1 price shall be given to these co-operatives. However, KB / NCCF will be exempted from furnishing bid security (Earnest Money Deposit).

The GOI rules, regulations and instructions from time to time should be complied with.

2 Office Equipments

In case of purchase of office equipments valuing up to Rs. 25 laths limited tenders as indicated in Para below may be called for including tenders from KB / NCCF. At the discretion and necessary certification of the Local Purchase Committee, constituted for the purpose the Purchase Officer can also procure such items from KB / NCCF provided the rates are competitive and conform to the DG&D rates.

7.0.6 Modes of calling for quotations / tenders

The Purchase Section must select after deliberation one of the following modes of procurement:

- a) **Open tender:** by advertising in the press
- b) **Limited tender:** by sending written enquiries to known, reputed suppliers.
- c) **Single tender:** by sending written enquiries to a single supplier if it is in the knowledge of the indenter that the stores/equipment required is manufactured only by that supplier and none else.

7.0.7 The open tender method shall normally be followed for all procurement worth more than Rupees five laths. Splitting of indents, in order to bring it outside the ambit of open tender method is strictly prohibited

7.0.8 Notice inviting tenders shall be given in at least three largest circulated local dailies for procurement worth more than five lakh but less than Rs. ten lakh. Notice inviting tenders shall be given in at least two largest circulated national dailies for procurement worth Rs. ten lakh and above. The local dailies should be one English, one Urdu and one Telugu.

7.0.9 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 up to which tender papers shall be supplied (when required) the date of receipt of completed tenders, the date, time and venue of opening of tenders. Detailed technical specifications should not be given in the notice at all; they should only be given along with the tender papers. In addition, the notice can be put in the

website of the lab and or other dedicated websites for such purposes.

7.0.10 Limited tender method shall normally be followed in all procurements worth Rupees. five laths or less. However, this method can also be followed even in procurement of material worth more than five lakh when:

a) The Indenting Officer certifies that the demand is urgent and any additional expenditure incurred through open advertisement shall not be fruitful. ***Such 'urgency' should have prior approval of competent authority.***

OR

b) When the sources of supply are definitely known and the possibility of fresh sources of supply being available is remote.

OR

c) And it is not in public interest to adopt the open tender method

7.0.11 In all such cases, the invitation to bids must be sent to parties of comparable reputation and market share.

7.0.12 A minimum of three quotations have to be obtained from registered dealers. If the procurement is for branded products, a minimum of three quotations for each brand from different registered dealers should be obtained. In no case, single quotation shall be accepted for comparison of price by the Purchase Committee.

For instance, if the requirement is for the installation of air-conditioning system with no specific brand, and six brands are proposed to be examined, the Purchase Department should obtain three quotations FOR EACH BRAND from different suppliers and not one quotation for each brand from different suppliers. This is essential to ensure proper comparison of price and quality.

7.0.13 Single tender method shall be followed only in rare cases where it is in the sure knowledge of both the Purchase Committee and the indenter that the equipment to be procured is manufactured only by a particular manufacturer and there is no other option for the University except to go in for this equipment. Intentionally adding restrictive clauses to favour a single source should be avoided at all costs. All such cases of procurement on single tender basis must be approved by the competent authority on specific recommendations of the Purchase Committee, only after he satisfies himself that such procurement is unavoidable. Spare parts of equipments procured on single tender basis from the manufacturers or from their authorised dealers can be decided by the PURCHASE COMMITTEE.

7.0.14 1 The following minimum time limit may be allowed to the bidders so that they can quote their best possible prices:

- | | |
|--------------------|--------------|
| i) Limited tender | Three weeks. |
| ii) Open tender | Four weeks. |
| iii) Global tender | Six weeks. |

2 However, in case of urgency, the time period can be reduced but proper justification for the same has to be furnished and accepted by the Purchase Committee.

7.0.15 Tender documents and EMD

- 1 The tender documents which comprise the detailed technical specifications, conditions of contract, the proforma in which the tender is to be submitted and such other material as may be sold at the following rates for open tenders.

<u>Estimated value</u>	<u>Cost</u>
Rs. 5 laths to Rs.10 laths	Rs. 1,000.00
Rs. 10 laths to Rs. 50 laths	Rs.5,000.00
Rs. 50 laths and above	Rs. 10,000.00

These rates are exclusive of postage / courier charges and sales tax, if any, levied by the Government.

- 2 The tender document for purchase of equipment must include a clause that the successful bidder shall furnish an unconditional Performance bank Guarantee valid till 60 days after the warranty period from a scheduled bank for 10% or higher if decided by the Competent authority of the order value within 15 days of the placement of order for orders where full payment is to be made on L/c or on delivery, failing which the contract shall be deemed as terminated. In cases where part payment is made on delivery & part on installation, the performance BG shall be asked for at the time of release of final payment. In rare cases where goods have been procured on proprietary basis etc. the matter of non-furnishing of performance Guarantee, if any, may be brought to the notice of the competent authority for his decision.
- 3 It shall be clearly mentioned in the tender document for purchase of equipment that if the vendor have supplied identical or similar equipment to other Universities/ Institute, the details of such supplies for the preceding three years shall be given together with the prices eventually or finally paid.
- 4 The EMD shall always be collected by DD or bankers Cheque or bank guarantee. The EMD of unsuccessful bidders shall be returned within 15 days of the award of the contract. All tenders 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 allowed exemption. But it must be verified that such registration include the item they are offering which are manufactured by them and not for selling products manufactured by other companies. In rare cases however, if the bidder is well known and highly reputed, the matter may be brought to the notice of the competent authority for his decision

7.0.16 Receipt of Tenders

- 1 Tenders are received either through post or through courier or by hand. The tenders shall be dropped in the tender box, which shall remain Locked, sealed and its keys with the Purchase officer.
- 2 If a tender, received in a cover without any superscription about its contents, is opened by any official receiving it, he shall himself mark on the cover the tender number and the date of its receipt and the date of its opening and shall sign it and cause it to be delivered to the purchase officer before the opening date.
- 3 Tenders for items costing less than Rs. 2.00 lakhs and are received in open condition or through fax or e-mail or telegram or telex within the due date and time shall not be rejected but shall be accepted at the risk of the bidder if the same is presented to the SPO before the expiry of the due date and time.

7.0.17 Late / Delayed Tenders

Tenders received after the specified time and date of opening are treated as "Late" while tenders received after the last date specified for receipt of tender but before the date of opening of the tender are treated as "Delayed".

Such tenders shall be marked as late/delayed as the case may be and filed. They shall not be opened at all and be returned to the bidders in their original envelope without opening.

7.0.18 Postponement of the tender opening date

Requests for the postponement shall not normally be entertained. In rare cases however, if the response to a notice is poor, a decision to postpone the opening date of the tender by a minimum 15 days may be taken by the competent authority. The time extension so granted may be intimated to all concerned so that adequate response is received.

In case where the response to limited tender method in respect of materials costing more than Rs. 5.00 lakhs is poor (if the response is only from two or less bidders, it is considered poor), then open tender method shall be resorted to. The bidders who responded to the limited tender enquiry must be informed that their tenders shall also be considered along with the tenders received through open enquiry. If a decision is taken to change the specification to make it broad-based, the bidders who had responded to limited enquiry shall be asked to bid again as per the revised specifications. Any exception to this should have the approval of the Vice-Chancellor.

7.0.19 Opening of the Tenders

The tenders shall be opened by the Purchase committee. Separate notice of opening of the tender need to be sent to the bidders before opening of the commercial bid as per Para 18.0.0 below. Opening of the tenders without informing the bidders is strictly prohibited for the limited & open tendering process.

The officer opening the tender shall read out only the following particulars for the information of the representatives attending the tender opening.

- a) Tender number
- b) Name of the firm
- c) Description of the item to be purchased
- d) Price
- e) Whether the price is inclusive of taxes & duties or exclusive
- f) Discount offered.
- g) Delivery Schedule.
- h) Any other extra charges quoted for packing, transport etc.
- i) Terms of delivery
- j) Warranty obligations.
- k) All the pages of the tender have to be initialed by the tender opening committee. Alterations / corrections in the tenders should be initialed legibly by the officers opening the tender and dated. A similar procedure shall be followed wherever any erasing / cutting are observed.
- l) Any correction in the price quoted in the tender both in the words and figures shall be circled in red ink by the representative of finance and signed. The

members of the tender opening committee shall endorse this. 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.

- m) 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.

7.0.20 Evaluation of the Tenders

- 1 A neat comparative statement of the tenders opened shall be caused to be made by the Purchase section. It shall contain details like rate, delivery schedule, make, taxes etc. and finally the quoted price. The final landing cost of Purchase after all discounts, taxes must be mentioned on the comparative statement for indigenous items. Where there is no mention of packing, forwarding, freight, insurance charges, such offers shall be rejected as incomplete.

This condition must be indicated in bold letters in the tender document/ enquiry itself. The comparative statement shall be without any cuts and erasers and shall neatly give the quoted price both in figures and in words. The Purchase section shall be directly responsible if the statement is later found to be shabby and with additions, alterations, cuts and erases. When bids are received in different currencies, the comparative statement shall clearly give the exchange rate on the date of opening of the bid and the quoted price in rupees.

- 2 After the order is placed separate photocopies of the comparative statement may be taken and kept in a presentable form to be produced on demand by audit.
- 3 Evaluation of tenders must be done in a scientific and logical manner. It is not always necessary that the lowest quoted price shall finally emerge as the lowest evaluated price. It may be that the lowest bidder has not quoted according to the specifications and has left out certain items asked for. His bid eventually may not even be responsive. Thus evaluation of tenders is a serious exercise which should not be done mechanically. Extraneous considerations, that is, considerations that were not mentioned in the technical and of other specifications, shall not be a cause for rejecting a tender as non responsive.
- 4 If the bidder has quoted certain optional items, these items should not be taken into consideration for the evaluation of the bid. Wherever two bid systems is followed, the PURCHASE COMMITTEE can arrive at a basket of items to be procured which may well be different from what they had initially advertised. In all such cases, the parties who have been found technically suitable should be asked to quote for all these items.
- 4 Wherever feasible the Purchase Committee should examine the samples of materials/goods proposed to be examined and a suitable recording should be made in the Purchase Committee minutes to the extent that the sample material/goods have been examined and satisfied with the quality and specifications. In case of purchase of equipment and other goods whose samples cannot be examined at the University, the Purchase Committee members at their discretion should visit the suppliers place to examine the equipment and record the findings in the Purchase Committee minutes. If the Purchase Committee is of the opinion that such an examination is not necessary, the same shall be recorded in the Purchase Committee minutes.

The Purchase Committee should also refer to the records of Purchase Department of the University and other documentary proof submitted by the Tenderer to determine the past performance of the supplier while evaluating the tenders and a suitable recording should be

indicated in the minutes of the purchase committee.

- 5 Conditional tenders shall not be accepted.
- 6 A tender shall not reject simply because certain details which do not have appreciable bearing on the price quoted are missing. In such case a quick reference could be made with the approval of the PURCHASE COMMITTEE, to the concerned bidder for proper evaluation of the tender.
- 7 The evaluation report shall clearly bring out the
 - a) technical acceptability of the offer
 - b) reasonability of the price quoted
 - c) reasonability of the delivery period offered.
- 8 No tender shall be technically rejected on flimsy grounds or on such vague grounds as unsatisfactory service during earlier purchases without providing any documentary proof. The reasonability of the price quoted can only be arrived at by making formal inquiries with other clients who have made similar purchases and by taking into account last purchase price. It must be borne in mind that the margin of profit in scientific equipment is usually large and hence there is considerable scope for negotiation with the lowest bidder. Negotiations must only be done with the lowest bidder wherever necessary.
- 9 **Separate evaluation of technical and financial bids**
- 10 All equipments costing more than `10 lakh shall be purchased by adopting two-envelope system either through open tender or through limited tender.

In this system the bidders are asked to send their technical specifications with EMD and financial bids in two separate sealed envelopes.

The technical bids are opened first and analysed for acceptability either by the Purchase itself or by a separate technical Committee.

The tenderers could also be called for discussion and could also be allowed to modify their technical bids to suit the organisations requirement. The idea is to arrive at a threshold level of acceptability above which all the bidders shall be treated on par. Those whose technical specifications do not reach the threshold level of acceptability shall be rejected as technically unsuitable. The bidders who finally emerge as technically acceptable shall be allowed to withdraw their price bids and send again a revised bid in a sealed envelopes or to adhere to the original price bid sent. These price bids shall be opened, evaluated and the contract awarded to the lowest evaluated bidder.
- 11) It must be normally ensured that at least two or more bidders become technically suitable in all such cases unless there are compelling technical reasons to decide otherwise. If only one bidder emerges as technically suitable, it may lead to complaints that the specifications were tailor made to suit a particular bidder.
- 12) In rare cases when such an eventuality arises, the Purchase / technical committee should give cogent and detailed reasons as to why such a choice is being made. In all such cases, if other parties make representations, it is the responsibility of the Director to explain to them the technical reasons for rejecting their bids.

7.0.21 Audit of Purchase Proposals

The finance member of the Purchase Committee shall ensure that all the financial parameters are fully complied with before according his concurrence.

7.0.22 Placement of order

Once the purchase proposal is approved and the competent authority accords the expenditure sanction, the Purchase Officer shall prepare the purchase order and arrange it to send it to the vendor. The purchase order shall contain the make and model of the item with description, rate, quantity ordered, Amount and terms & conditions like Delivery schedule, Place of Delivery, Payment terms, taxes & duties, any other charges like packing, forwarding, transportation, insurance etc., discounts offered by the firm, warranty period, training if any etc.. Suitable clauses like Option clause for repeat order, Arbitration Clause, force majeure Clause and Liquidated damage Clause etc. may be incorporated in the supply order wherever applicable. The order shall also contain the inspection procedures to be followed for inspecting the ordered goods for acceptance and the probable time needed for inspection. Orders for equipments shall be dispatched to the vendor in two copies with an instruction that the vendor has to return one copy duly signed as a token of the acceptance of the order. In case the order confirmation is not received within twenty-one days, it shall be presumed that the vendor has not accepted the order and further action has to be initiated as per the conditions given in the tender document etc. The copies of orders shall be distributed to Stores, Indenting division and Finance (along with a copy of the sanction memo) as soon as the orders are placed.

7.0.23 Buy-back purchases

Buy-back of items like Computers, Scanners, Servers, laptops, LCD Projectors, Printers, Photocopiers, Faxes, Refrigerators and the like of five-year vintage or more can be made subject to the following conditions.

- a) The approval of the competent authority for declaring the item as obsolete etc. has to be obtained
- b) Prices be obtained from various bidders as per Para 11.0.0 and the bids should clearly mention that the offer is under buy-back scheme and the buy-back price be mentioned separately.
- c) Once the purchase is completed, the original value of the item is written off from the books of the respective labs/Departments/Section/Projects and Purchase Department.

8.0.0 Purchase Order Register

The Purchase Order so placed should be serially numbered with new serial number being allotted from April to March every year.

Maintenance of a Purchase Order Register is mandatory. A review of pending purchase orders should be made periodically and necessary follow up action taken with the firms concerned for expediting the supplies.

The Register should be submitted with a closing as indicated below to the Registrar on 5th of every month and to the Vice-Chancellor once in six months i.e., 5th January and 5th July every year. The register should be closed to the end 25th of previous month to the closing date.

Opening Balance : XXXX (A)

Purchase Orders issued

From í í to í í í .. : XXXX (B)

Total (A+B)	:	XXXX (C)
Supplies received	:	<u>XXXX</u> (D)
Closing Balance (C-D)	:	<u>XXXX</u> (E)

Details of CB:

PO Details	Brief details of supply	Dept.	Reasons for delay in supply	Action taken by Purchase Officer
1	2	3	4	5

9.0.0 Follow up of Purchase orders

Once order has been placed, it is the duty of Purchase Officer to ensure that the vendors supply what has been ordered in time. He shall continuously be in touch with the indenter department and in the event of the material not being received in time; he shall contact the vendor immediately and ensure that the material is received as quickly as possible. He shall also keep a list of vendors who are habitual defaulters and who supply sub-standard material, in order that prompt action is taken to blacklist such vendors

10.0.0 Payments

A copy of the purchase order/work order/service order may be sent to concerned Department, Finance, Administration and Internal Audit Department so that while admitting the bill for payment, they may be linked with the P.O. and make an endorsement as paid & cancelled. The unpaid P.O.s will be reviewed at the end of 31st March and report given to Accounts Section quantifying the outstanding to account for them as O/S Liabilities in the Balance Sheet.

In case of payment towards civil works if any ordered payment will only be made after necessary record measurement by Estates/Campus Development.

11.0.0 Receipt of materials

On receipt of the equipment etc, the Stores Department shall take steps for installation and commissioning. Upon satisfactory commissioning, suitable entries in the Assets Registers (in respect of durable and long life items) or in the Stock Register (in respect of consumable items) shall be made. These details are required to be noted on the back side of the invoice / bill with proper attestation bearing full signature with date and stamp.

For this purpose, Stores Section as well as all Sections of the Departments of the University and school/Polytechnic/Regional Centre/Sub-Regional Centre/Study Centre should maintain an Assets Register (in respect of durable and long life items) or in the Stock Register (in respect of consumable items).

11.0.1 Inspection of the materials

The indenter shall inspect the materials as soon as it arrives and shall normally adhere to the schedule given by him at the time of placing the indent. Normally the concerned indenting division should ensure completion of inspection within ten days of receipt of advice from the stores. For imported equipments the packing may be opened in the presence of the Indian agent to avoid short/ damaged supply due to improper packing. In any case 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, Stores should ensure that the bill containing the stock entry reference and copy of the inspection report is sent to Purchase within three working days after the inspection is over. The Purchase wing shall send the same directly to accounts within four working days for payment and then the accounts must arrange payment to the vendor within five days from the date of receipt of bill. If for any reason, the payment is held up beyond the period stipulated, the matter shall be brought to the notice of the Director for his decision.

12.0.0 Advance Payments

While the normal mode of payment is 100% within 30 days after receipt and acceptance of materials in good condition (within 30 days after satisfactorily installation & commissioning of equipment), there may be occasions when a reputed supplier insists on advance payment. In all such cases, the PURCHASE COMMITTEE concerned shall decide on a case to case basis what percentage of payment could be made to the vendor in advance against equivalent bank guarantee from a scheduled bank. In no case shall the advance payment thus made exceed 90% of the price. The remaining percentage shall be released only after receipt and acceptance of material in good condition or after satisfactorily installation and commissioning of the equipment

There may also be cases when payment against delivery which is commonly in practice for smaller value items and with traders who supply against cash/ cheque. This payment against delivery is much safer than payment through bank against documents as material itself is received against payment instead of documents. Such terms should be allowed. However, the purchase officer should ensure that the material is inspected and found acceptable as per requirement

In case of Annual maintenance contracts/ repairs, advance payment sufficient to cover one-year AMC charges can be allowed by the sanctioning authority. In cases where the AMC payment is for more than a year specific approval of the Director shall be obtained.

Any other payment terms can be accepted in exceptional cases on the approval of Vice Chancellor with concurrence of Finance.

13.0.0 Executing an Agreement

An agreement should always be entered into with the suppliers while placing orders for purchase of costly equipment/services for a year (value exceeding `5.00 lakh) incorporating therein the following clauses:

- a) Value of purchase, basic price, taxes and duties and discount
- b) Mode of delivery
- c) Cost of transportation and transit insurance
- d) Mode of payment
- e) Time schedule for supply
- f) Interest/penalty if any chargeable for belated supplies
- g) Arrangements for inspection and testing
- h) Arrangements for installation
- i) Guarantee/Warranty period

- j) Arrangements for servicing/calibration/maintenance
- k) Arrangements for training of personnel
- l) Maintenance and supply of spares
- m) Security Deposit/Bank guarantee, if any, required
- n) Failure to comply with the agreement terms - payment of compensation to the University.
- o) Technical specification as given in the Purchase Order.
- p) Arbitration Clause.

14.0.0 Performance bank-Guarantee

- 1 Following two alternatives are available depending upon the situation
 - a) For the entire warranty period, a Performance Bank Guarantee equal to 10% of the cost of equipment may be obtained; or
 - b) At the discretion and responsibility of the Vice Chancellor, a Performance Bank Guarantee for a lesser period and / or amount may be obtained
- 2 On receipt of the Bank Guarantee, the same should be handed over in original to Finance Department keeping a Xerox one copy in the concerned file and one copy in a separate Guard file for Bank Guarantees.

15.0.0 Hiring of taxi cabs should be from such cab-operators who are registered Service Tax Payers

It should be ensured that the Cab-operators whose services are requisitioned by MANUU are registered with the Central Excise Department for the purpose of remittance of Service Tax.

For this purpose (i) it is sufficient to ensure that the invoices / bills presented by the Cab-operators contain the 15 digit Service Tax Registration Code No. and (ii) a declaration as prescribed in Annexure 8 of this booklet should be obtained.

(Authority: GOI, MOF, No.3 (27)/C&V/06 dt.9.11.2006).

There are certain services like Man Power Supply, Annual Maintenance and repairs, catering, Advertisement, and Works Contract Services etc. which are often outsourced by the University. The Service Providers in these cases are not liable to Service tax if their annual value of service is below the threshold limit of ₹.10.00 laths. University should ensure that the Service Tax (S.T) liability is borne only in cases where the Service providers themselves are liable to S.T and also ensure such service providers are (i) Registered with Central Excise Department, (ii) Filing returns periodically and (iii) remitting Service Tax charged on the services rendered to University promptly to Central Excise Department

16.0.0 Integrity Pact

Guidelines issued by Ministry of Human Resource Development

Ministry in Circular No.24-1/2011-IFD Dt.4.8.2011 insisted upon for inclusion of integrity pact scrupulously for all proposals / tender documents issued in respect of procurements / contracts. (Pre contract Integrity Pact is given in the Annexure-12)

17.0.0 Disposal of Surplus Goods

With the passage of time, many of the goods purchased by the University become unserviceable or obsolete. Such goods are Classified as surplus goods. The Stores Section conduct review of the existing stock and stores every year and should dispose off such surplus goods in consultation with the concerned HOD/Sections at the earliest, to avoid unnecessary inventory carrying cost, decrease in resale price of those goods etc.

Detailed comprehensive instructions for disposal of surplus goods are available under Rules 196 to 202 of General Financial Rules, 2005, as provided under Annexure 13 of this manual. The University shall follow the same for this purpose

18.0.0 Computerisation Purchase records

The University shall computerize all the areas of purchase management to the maximum extent possible and develop a suitable package for this purpose through a competent IT firm. This will ultimately result in better efficiency, more speed in performing the duties and, also, reduction in the overall expenditure

19.0.0 The above procedure shall supersede the existing purchase policy. In respect of areas, which are not covered in the above purchase policy & procedure, the provisions contained in the General Financial Rules-2005 of Govt. of India shall be operative

20.0.0 Power to interpret and relax the rules

- 1) In case of any doubt on the interpretation of this procedure or any suggestion for improvement, the matter can be referred to the Vice-Chancellor
- 2) Executive Committee of the University or the Vice-Chancellor with the approval of the EC is authorized to relax any provision(s) contained in the Manual in exceptional cases with reasons to be recorded for such exemption or relaxation

Annexure-1

Maulana Azad National Urdu University Purchase Proposal (Indigenous or Imported)

School / Department / Centre: í í í í í í í

1.	Name and Status of the Proposer / Originator / User	
2.(a)	Name of the goods or equipment or consumable	
(b)	Make & Model No.	
	Technical specifications applicable	
(c)	Name of the Manufacturer (country of origin, in case of imported items)	
(d)	Name of the Manufacturer or Supplier from who purchase is to be made.	
(e)	To whom Purchase Order is to be addressed and to whom to be handed over	
3.	Notice of Inviting Quotation/Tender.	Enclosed in File at page No
4.	Copy of 'In Principle Approval' accorded by the Competent Authority, if any.	Enclosed in File at page No
5.	Details of the Budget Head (Plan / Non-Plan / Projects)	
6.	Name of the Project, wherever applicable	
7.	Justification for acquisition of the item	
7 (a)	Without the item how the work was being carried out	
7(b)	Whether the proposal is for replacement of the existing item.	
	If replacement of the existing item is proposed, Working condition of the existing item, any buy back arrangement is available.	
8.	Whether prescribed purchase procedure has been followed i.e. :	
(a)	By Advertisement (open tendering systems) for the purchase value of Rs. 5.00 laths and above	
(b)	Whether tender notice placed on website and the name of the website published in leading newspapers.	
(c)	Whether soft copies of the website records are maintained by using archival techniques	
(d)	Whether limited tender is called for from the original equipment manufacturer / principal /reputed regular dealers as per the list of vendors enlisted by the University	
(e)	Wherever an agent is quoting on behalf of the principal, whether authorization letter has been obtained from the principal	
(f)	Whether 3 quotations obtained for purchasing value exceeding Rs. 0.50 laths (Pl. refer Para 3.1.3 at page 12 of Purchase Policy)	
(g)	In case of single tender / quotation purchase, whether adequate justification and documentation in support of the same has been furnished	

9.(a)	Whether the items are proprietary in nature Details to be given.			
(b)	Whether a certificate to the effect that ñno other company is manufacturing the product and this is the only company manufacturing the productö is attached in respect of proprietary item			
10.	Details of Quotations:			
(a)	No. of firms called			
(b)	No. of firms responded > No. of firms quoted >			
(c)	No. of firms regretted			
(d)	No. of firms which did not respond			
11.	Whether comparative statement(s) has been enclosed duly authenticated by the originator			
12.	(a) Whether the lowest quotation has been selected			
(b)	If not, brief justification for not selecting the lowest quotation			
13.	Cost Details: (after negotiation)			Foreign
	Imported	Foreign Currency	INR	
(a)	FOB			Cost
(b)	Freight			Transport
(c)	Insurance			Insurance
(d)	Packing			Packing
(e)	CIF Value			Any other charges
(f)	Customs Duty			Central Excise Duty (If particulars are available)
(g)	Clearing Charges			Other Duties/Taxes
(h)	Total Cost			Total
14.	Time of Payment:			
(a)	Advance Payment(please refer to Para 8 of Purchase Policy)			
(b)	After delivery / installation / final acceptance			
15.	Warranty:			
(a)	Period:			
(b)	Whether Comprehensive			
16.	Delivery Period			
17.	Details of after sales service			
18.	In case of payment through LETTER OF CREDIT, value thereof in both the currencies			

19.(a)	Whether the company agreed for (i) release of 90% of the order value through LC / TT upon proof of shipment of stores / equipment, on presentation of signature of commercial invoice, original airway bill / price list certification of confirmed test by suppliers, supplier certificate containing the confirmation of the equipments in the case / package and (ii) the balance 10% payment would be released by the Bank after final acceptance / satisfactory installation & commissioning by MANUU and performance Bank Guarantee bond.	
(b)	Whether Bank charges outside India (including certification charges if any in case of LC) shall be debited to the suppliers account? If not , justification to be given	
20.	Deviations from the prescribed purchase policy & procedure, if any. Justification to be given.	
21.(a)	In case the proposal is for Rs. 5 laths and above, whether the firm has agreed to conclude the agreement duly incorporating all safety clauses	
(b)	If not, justification for not doing so.	
22.	Any other details or comments	

Signature and Name of the proposer

JUSTIFICATION / NEED FOR THE PURCHASE OF THIS EQUIPMENT /CONSUMABLE + JUSTIFICATION FOR SELECTING / PREFERING THIS MANUFACTURER / SUPPLIER.

Recommendations of the Purchase Committee:

- | | |
|----|----|
| 1. | 4. |
| 2. | 5. |
| 3. | 6. |

Annexure-2

Format to be used by Finance & Accounts for the purpose of scrutiny of Purchase Proposal

1.	Budget Head	
2	Funds Position	
(a)	Budget Allocation	
(b)	Financial Year to which it pertains	
(c)	Booked expenditure till date (excluding the proposal on hand)	
(d)	Committed expenditure, if any	
(e)	Balance available as on date of the present Proposal	
3.	Financial Details of the Purchase Proposal:	
(a)	Ref. to Proposer's Lr.No. / Date calling for quotation.	
(b)	Name & address of the company / supplier whose quotation has been accepted.	
(c)	Ref.No. & date of accepted quotation	
(d)	Ex-works price to be indicated in rupees (in case of import, the expenditure against each item in foreign currency and its equivalent in Indian rupees	Foreign Currency
(e)	Discount if any (after negotiation)	
(f)	Cost of packing & forwarding (by the Supplier)	
(g)	Cost of Insurance / Air or Ocean Freight (i) whether to be arranged by MANUU. If yes, approximate expenditure OR ii) Whether to be arranged by the Manufacturer / Supplier. If yes, then mention the amount that has been exhibited in the quotation or invoice	
(h)	Excise Duty or Customs Duty (exemption to the extent available / is required to be availed)	
(i)	Service Tax	
(j)	CST / VAT / SALES TAX (exemption to the extent available / is required to be availed)	
(k)	Any other charges (specify)	
(L)	Total Cost	
4.	Whether this item is committed or a fresh expenditure item	
5.	Whether L1 accepted or. If not, reasons for the same	
6.	Any Other Observation or objection regarding the Proposal	
7.	Whether the proposal is in order and can be recommended for sanction? If not on which item(s). Compliance from the user proposer is required.	

The above proposal is recommended for sanction subject to the conditions that the purchase order should contain the liquidated damages clause.

DC

SO

AR (Accounts)

DFO

FO

Annexure-4

Maulana Azad National Urdu University, Hyderabad

ESSENTIALITY CERTIFICATE FOR CLAIMING CUSTOMS DUTY EXEMPTION IN RESPECT OF GOODS IMPORTED BY PUBLIC FUNDED RESEARCH INSTITUTION FOR RESEARCH PURPOSE ONLY IN ACCORDANCE WITH THE GOVERNMENT OF NOTIFICATION.51/96-Cus. Dt.23.7.1996

Date:

The MANUU is exempted from payment of Central Excise Duty in terms of Notification No. and valid from to, issued by the Ministry of Science & Technology (Department of of)

01	Name of the Institution (Issuing Organization)	Maulana Azad National Urdu University, Hyderabad
02	Registration with	.
03.	Name of the foreign manufacturer / supplier	
04.	a) Quotation No. or Invoice No. and date of the foreign manufacturer / supplier b) Invoice Amount c) Airway Bill No. and date	
05.	University's Purchase Order No. Date	
06.	Brief description of the items/ goods	
07.	Amount of Customs Duty payable after claiming the exemption to the extent Available.	

Certified that the purchase of the above goods for which full Central Excise Duty Exemption is claimed are required for research purpose only by this University and this University is not engaged in any commercial activity. Also certified that the university is registered with the

Registrar

Maulana Azad National Urdu University, Hyderabad

Note: Request for this certificate may be routed through the Scientific Officer, Central Purchase Committee.

time to time any of the powers exercisable by the MANUU against the said supplier and to forbear or enforce any of the Terms and Conditions relating to the said agreement and we shall not be relieved from our liability by reason of any such variation or extension being granted to the said supplier or for any forbearance act or omission on the part of the MANUU or any indulgence by the MANUU to the said supplier or by any such matter or thing whatsoever which under the law relating to sureties would but for this provision have effect of so relieving us.

6 This guarantee will not be discharged due to change in the constitution of the bank or the supplier.

7 We, the í í í í .. Bank lastly undertakes not to revoke this guarantee except with the previous consent of the MANUU in writing.

8 This guarantee shall be valid up to í í í í í í í í unless extended on demand by MANUU Not withstanding anything mentioned above, our liability against this guarantee is restricted to Rsí í í /- (Rupees í í í í í í í í í í . only). Not with standing anything contained herein

1 Our liability under this bank guarantee shall not exceed Rsí í í ../- (Rupees í í í í í í í í í í .. only)

2 Bank guarantee shall be valid up to í í í í í í í í ..

3 We are liable to pay the guaranteed amount or part thereof under this bank guarantee only and only if you serve upon us a written claim or demand on or before í í í í í í í í ..

Dated:

Signature & Seal of the Bank

Note: The above format contains specific clauses and expressions. These clauses and expressions can vary depending upon the nature / type of agreement and situation. Basic aspect to be kept in mind is that interest of MANUU is fully protected.

Annexure-6

Proforma of Agreement to be entered into with foreign manufacturer / supplier for purchases directly made from the foreign manufacturer / supplier

Contract for supply of *í ...

Vide Quotation Ref:

An agreement made on this í í í day of í í í í í í í í . between the Maulana Azad National Urdu University, Hyderabad 6500032 India (hereinafter called the "University") and M/s. í í í í í í í í í í í hereinafter called the "foreign manufacturer/ supplier"), which expression shall, wherever the context so admits or implies include the representatives, executives, administrators, successors or assigns of the ONE part, and the University's Authorised Officers, successors or assigns of the OTHER part.

WHEREAS the University is desirous of purchasing and installing * í í í í í í at the premises of the University as per the technical specifications mentioned in the P.O. No. í í í í í í í í . Date í í í í í í í for the sum of í í í í í ... (FOB price) subject to the conditions herein set forth.

Now these present witness and the parties hereto hereby agreed as follows:

- 1 That the supply would be made against a consideration of the sum of ***í í í í í to be paid by the University to the foreign manufacturer / supplier through ****í í í í í í í í í í í . Freight, insurance, handling and documentation as per the terms agreed upon in the Purchase Order. The foreign manufacturer / supplier shall execute the supply of equipment and complete the Purchase Order in a thorough and workmanlike manner í .
 * Name of the machinery / instrument / parts / appliances / things.
 ** Name of the School / Department *** FOB price
 **** Mention the mode of payment, such as LOC, Demand Draft, and Telegraphic (Wire) Transfer. Also make a mention (as per the situation) whether 90% would be released on proof of payment and balance 10% on actual delivery / installation / commissioning.
- 2 The foreign manufacturer / supplier is required to submit a bank guarantee bond of `í í í í .to be retained by the University and which can be released by the University after the warranty period of í í year(s) is over. If the supplier does not provide a bank guarantee, then 10% of FOB cost would be retained by the University till the warranty of í ..year(s) is over.
- 3 That the foreign manufacturer / supplier shall be responsible for the adequacy, strength and accuracy of all the system (machinery, equipment, parts, appliances and things) supplied by the foreign manufacturer/ supplier for the purpose of the contract, as per the specifications claimed by the foreign manufacturer / supplier in their published catalogue / quotation
- 4 That the foreign manufacturer / supplier shall arrange to deliver the whole of the machinery / equipment / parts / appliances / things as specified in the said specifications / quotation / purchase order, to the nearest port and the University shall make arrangements for taking delivery, clearance, transport and placing of all the equipment etc. so received at the site of installation.
- 5 That the University shall obtain pre-installation requirements from the foreign

manufacturer / supplier and complete all necessary requirements at its own cost before the commencement of installation by the foreign manufacturer /supplier

- 6 That the foreign manufacturer / supplier shall send a factory-trained engineer to install the machinery / equipment free of charge at a mutually convenient time after confirmation of safe arrival of the equipment at the University premises. The foreign manufacturer / supplier shall bear the travel, living and other cost of the engineer / labour.
- 7 That on installation, the site engineer shall arrange with the University to have a test run of the machinery / equipment / part as per the specifications given in the published catalogue / date sheet / quotation.
- 8 That after the installation and satisfactory testing of the System (machinery / equipment / parts etc.) the University shall, if satisfied with the performance of the system as expected from the specifications, shall grant and deliver a certificate in duplicate that the machinery / equipment is in working order to the satisfaction and that the same is in conformity with the specifications. One of the duplicate certificates shall be given to the supplier. Such delivery and handing over shall amount to and be considered as handing over and the delivery to the University within the meaning of this contract.
- 9 That during a period of twelve months from the date of installation and handing over the system (machinery, equipment, part etc.) to the University or fifteen months from the date of shipment whichever is earlier, if there shall be found any defect in the system either due to faulty workmanship or due to bad materials, the same shall be rectified or replaced by the foreign manufacturer / supplier s at their own cost.
- 10 The foreign manufacturers shall pay the University 1% of the total cost of the system per week of delay in delivering the System and in no case shall exceed 5% of the total cost. Liquidated Damages will not be applicable where the cause of delay is not attributable to the foreign manufacturer / supplier.
- 11 Any dispute arising out of this contract shall be referred to the University, and if either of the parties hereto is dissatisfied with the decision, the dispute shall be referred to the decision of the Arbitrator, who should be acceptable to both the parties, to be appointed by the Vice- Chancellor of the University. The decision of such Arbitrator shall be final and binding on both the parties
- 12 All disputes are to be settled within the jurisdiction of Hyderabad courts.

In witness whereof the parties have here to set their hands this day and this year above written.

In the presence of

1
2

Signed on behalf of the Manufacturers

In the presence of:

1

Signed on behalf of the University MANUU

Annexure–8

PAYMENT OF SERVICE TAX DECLERATIONS TO BE OBTAINED FROM THE SERVICE PROVIDER

Note: Whenever and wherever it is found that any Service Provider has included the element of Service Tax in his invoice / bill / quotation, then a declaration containing under mentioned clauses (i) may be included in the service order to be placed on him or (ii) may separately be obtained from him or (iii) may be included as a distinct item in the terms & conditions . This declaration (as signed and submitted by the Service Provider to MANUU) is required to be enclosed to each bill* raised by the Service Provider, which in turn is submitted to F&A for payment.

I.e. only such bills wherein element of Service Tax has been claimed

Clauses of declaration

- 1 Certified that we are not covered by general exemption(s) contained in the Service Tax Notification No.6/2005 dated 1.3.2005
- 2 Certified that we are registered with the Central Excise Department as a Service Provider and our 15 digit Service Tax Registration No. is í í í í í í í í í .
- 3 Certified that the nature of service provided by us (and for which payment is being claimed) falls under Section 65 of Finance Act 1994
- 4 Certified that we are filing our Service Tax returns with í í í í í í í í í

Signature of the Service Provider

Annuxure-9

PAYMENT OF VAT DECLERATIONS TO BE OBTAINED FROM THE SUPPLIER WHO IS CLAIMING VAT IN HIS BILL

Note: Whenever and wherever it is found that the any vendor / supplier / manufacturer has included the element of VAT in his invoice / quotation / bill, then a declaration containing the under mentioned clauses (i) may be included in the supply order to be placed on him or (ii) may separately be obtained by him or (iii) may be included as distinct item in the terms & conditions. This declaration (as signed and submitted by the vendor / supplier / manufacturer to MANUU) is required to be enclosed to each bill* raised by the vendor / supplier / manufacturer, which in turn is submitted to the F&A for payment.

* I.e. only such bills where element of VAT has been claimed.

Clauses of declaration:

- 1 Certified that we are not covered by general exemption(s) provided in A.P.VAT Act 2005 and the Rules made there under.
- 2 Certified that we are registered with the VAT implementing authority and our VAT Registration (TIN) No. is í í í í í í í í í .
- 3 Certified that we are filing our VAT returns with í í í í í í í í í í

Signature of the Vendor / Supplier / Manufacturer

Annexure–10

Check-list for procurement contracts (purchases, works, and services).

(Drafted duly taking guidance from Central Vigilance Commission Circular No.21105/06
Date 01.05.2006)

- I **Pre-Award Stage:**
- 1 Financial and Technical sanction of competent authority should be available
 - 2 a Adequate and wide publicity is given
 - b Advertisement and tender documents are posted on University website and tender documents are made available for downloading by making a specific mention in the Notice itself (precautions and conditions governing the downloading are required to be highlighted in the Notice itself).
 - c However, if on account of any specific and valid reason down loading is not considered allowable, then specific mention about such a prohibition is required to be made in the Notice itself.
 - 3 Convenient and sufficient tender or quotation receiving / opening time is given and address of the tender receiving officials / tender box location are properly notified
 - 4 In the case of limited tender, panel of contractors / suppliers is prepared In a transparent manner clearly publishing the eligibility criteria. The panel is updated regularly
 - 5 Pre-qualification criteria are properly defined / notified
 - 6 It is to be ensured that the short listed firms / consultants fulfill the eligibility criteria during valuation. There is no deviation from notified criteria
 - 7 Experience and past performance certificates submitted by the contractors / suppliers are required to be verified
 - 8 Representatives of the bidders may be invited and allowed while opening the quotations /Tenders / bids (preferably where contract value or purchase value exceeds Rs.10 Lakh) (pl. refer Para 4.1)
 - 9 Corrections / omissions/ additions etc, in price bid are property numbered and attested and accounted page ówise. Tender summary note, tender opening register is scrupulously maintained,
 - 10 Conditions having financial implications are not altered after opening of the price bids.
 - 11 In case of consultancy contracts (a) upper ceiling limit is fixed for Consultancy fee and (b) separate rates for repetitive works are fixed
 - 12 Liquidated damage clause is included in the purchase order, more particularly when escalation has been agreed upon by MANUU
- II **Post-award stage:**
- A **General**
- 1 It is required to be ensured that Agreement is in complete shape with all relevant papers such as Pre-bid conference minutes, etc.
 - 2 Agreement with page-numbers, signed and sealed properly
 - 3 .Bank Guarantee is verified from issuing bank.
 - 4 Insurance policies, labor license, performance guarantee are obtained as per contract and requirement.
 - 5 It is required to be ensured that technical personnel are deployed as per contract / agreement.

- 6 Plant and equipment are supplied / deployed as per purchase order / contract.
 - 7 Action for Levy of liquidated damages is initiated in case of delay / default.
- B**
- Payments to contractors / suppliers**
- 1 Price escalation, if any, is paid only as per contract / purchase order / agreement
 - 2 Retention Money / Security Deposit is deducted as per contract
 - 3 Recovery of any type of advance (such as advance payment, mobilization advance and equipment advance etc.) is made as per the provisions in the work order / purchase order / contract
 - 4 Recovery of taxes such as Income-Tax, Works Contract Tax, VAT, SERVICE TAX etc., is made as per the prescribed rates and as provided in the work order / contract
 - 5 Glaring deviations are supported with adequate justification and are not advantageous to the contractor / supplier.
 - 6 Declarations (as prescribed in Annexure 9 and 10 are obtained wherever Service Tax and VAT have been claimed in the bills
- C**
- Site Record**
- 1 Proper system of recording and compliance of the instructions issued to the contractors / suppliers is maintained.
 - 2 Proper record of hindrances is maintained for the purpose of timely removal of the hindrance and action for levy of liquidated damages
 - 3 Mandatory tests are carried out as per the frequency prescribed in the agreement.

Annexure-11

No.24-1/2011-IFD

Government of India

Ministry of Human Resource Development

Department of Higher Education

Integrated Finance Division

New Delhi, dated 4th August 2011

Sub: Use of Integrity Pact by Ministries/Departments- Implementation of ARC Recommendation – Regarding

- 1 A copy of Ministry Finance (Department of Expenditure) O.M.No.14 (12)//2008-E-II (A) dated 19th July, 2011 on the subject mentioned above is enclosed. On the basis of recommendations of Administrative Reforms Commission (ARC) and a Task Force constituted by Ministry of Finance with representatives of Ministry of Law, Defense and Department of Personnel & Training, the following decisions have been taken:-
 - i All government Ministries/Departments, including their attached/subordinate officers, may use the generally applicable integrity Pact as an Annexure in their procurement transactions/contracts with suitable changes specific to the situation in which the Pact is to be used.
 - ii Ministries/Departments may, in consultation with the respective charge, decide on and lay down the nature of procurements/contracts and the threshold value above which the integrity pact would be used in respect of procurement transactions/contracts concluded by them or their attached/subordinate offices. This activity should be completed by 31st August, 2011.
 - iii The provision for the integrity Pact should be included in all requests for proposal/Tender Documents issued in future in respect of the procurements/contracts that meet the criteria decided in terms of (ii) above.
 - iv The aforesaid provisions may also be applied to procurements made by autonomous bodies for which also the concerned administrative Ministry/Department may lay down the nature of procurements/contracts and the threshold value above which the integrity Pact would be used.
- 2 The provisions for integrity Pact are to be included for all requests for proposals/Tender documents issued in future in respect of procurements / contracts that meet the criteria which is to be decided as above.
- 3 The aforesaid provisions are also to be applied to procurements made by autonomous bodies for which the Administrative Bureaus may lay down the nature of procurement/contracts and threshold value above which the integrity Pact would be used. The Bureau may take up the matter with the Autonomous Bodies under their administrative control
- 4 All the Bureaus in the Ministry of Human Resource Development are requested to make a comprehensive list of procurement transactions/contracts entered into by them or their attached/subordinate

offices and autonomous bodies under them and examine them according to the nature of contracts and threshold value above which the integrity Pact would be proposed to be used. A self ó contained proposal may be referred by the Bureaus latest by 17th August, 2011 to IFD for consideration. The proposals would, thereafter, be submitted for kind approval of Honorable HRM.

5 This issues with the approval of JS & FA

Encl: As above

(Partap Singh)
DS (Finance)

All Bureau Heads, Ministry of HRD
All Divisional Heads in the Ministry of HRD
All Officers/Units of Integrated Finance Division in MHRD
Heads of all Attached/Subordinate Offices under MHRD
Heads of all Autonomous bodies under MHRD Copy for information to:-
PS to HSM
PS to MOS , (HRD)
PS to Secretary (HE)
PS to Secretary (SE&L)
PS to JS & FA (HRD)

(Partap Singh)
DS (Finance)

Annexure-12

No.14-(12)/2008-E-II (A)
Government of India
Ministry of Finance
Department of Expenditure

.....
New Delhi, dated the 19th July, 2011

OFFICE MEMORANDAM

Sub: Use of Integrity Pact by Ministries / Department Implementation of ARC Recommendation ó Regarding

The Administrative Reforms Commission in its report titled "Ethics in Governance" had made the following recommendation in relation to Integrity Pacts.

The Commission recommends encouragement of the mechanism of Integrity Pacts. The Ministry of Finance may constitute a Task Force with representative from Ministry of Law and personnel to identify the type of transactions requiring such Pacts and to provide for a protocol for entering in to such a pact. The Task Force may in particular recommend whether any amendment in the existing legal framework like the Indian Contract Act and the Prevention of Corruption Act is required to make such agreements

- 2 Accordingly, a Task Force was constituted in the Ministry of Finance with representatives of Ministries of Law, Defense and Department of Personnel & Training. After examining the recommendation of the Task Force it has been decided that:
 - i All Government Ministries/Departments, including their attached/ subordinate offices may use the generally applicable Integrity Pact as at Annexure in their procurement transactions/ contracts with suitable changes specific to the situation in which the Pact is to be used
 - ii Ministries/ Departments may, in consultation with the respective Financial Adviser and with the approval of the Minister ó in ócharge, decide on and lay down the nature of procurements/ contracts and the threshold value above which the Integrity Pact would be used in respect of procurement transactions/ contracts concluded by them or their attached/ subordinate offices. This activity should be completed by 31st August 2011
 - ii The provision for the Integrity Pact should be included in all Requests for Proposal/Tender Documents issued in future in respect of the procurements/contracts that meet the criteria decided in terms of (ii) above
 - iii The aforesaid provisions may also be applied to procurements made by autonomous bodies for which also the concerned administrative Ministry/ Department may lay down the nature of procurements/ contracts and the threshold value above which the Integrity Pact would be used.
- 3 All Ministry / Departments may take prompt action to ensure compliance with the aforesaid decisions, inter-alia, by attached/ subordinate offices and autonomous bodies. In regard to Public Sector Undertakings (PSUs), the departments of Public Enterprises are being separately requested to issue suitable instructions.

(R.Prem Anand)

Under Secretary to the Government of India

1. All the Ministries / Departments of Govt. of India.
2. FAØs of all Ministries/ Departments of Govt. of India
3. Copy to Chief Vigilance Commissioner, New Delhi.

PRE CONTRACT INTEGRITY PACT

GENERAL: -

This pre-bid pre-contract Agreement (hereinafter called the Integrity Pact) is made on í í í í . Day of the month of í í í í ..201.., between, on one hand, the President of India acting through Shrií í í í . Designation of the officer, Ministry/ Department, Government of India (hereinafter called the ðBUYERø which expression shall mean and include, unless the context otherwise requires, his successors in office and assigns) of the First Part and M/s í í represented by Shrií í í , Chief Executive Officer (hereinafter called the ðBIDDER / Sellerø which expression shall mean and include, unless the context otherwise requires, his successors and permitted assigns) of the Second Part.

WHEREAS the BUYER proposes to procure (Name of the Stores / Equipment / item) and the Bidder / Seller is willing to offer / has offered the stores and WHEREAS the BIDDER is a private company / Public company /Government undertaking/partnership/ registered export agency, constituted in accordance with the relevant law in the matter and the BUYER is a Ministry/Department of the Government of India / PSU performing its functions on behalf of the President of India

NOW, THEREFORE

To avoid all forms of corruption by following a system that is fair, transparent and free from any influence/prejudiced dealings prior to, during and subsequent to the currency of the contract to be entered into with a view to :-
Enabling the BUYER to obtain the desired said stores/equipment at a competitive price in conformity with the defined specifications by avoiding the high cost and the distortionary impact of corruption on public procurement, and

Enabling BIDDERS to abstain from bribing or indulging in any corrupt practice in order to secure the contract by providing assurance to them that their competitors will also abstain from bribing and other corrupt practices and the BUYER will commit to prevent corruption, in any form, by its officials by following transparent procedures. The parties hereto hereby agree to enter into this Integrity Pact and agree as follows:

Commitments of the BUYER

- 1.1 The BUYER undertakes that no official of the BUYER, connected directly or indirectly with the contract, will demand, take a promise for or accept, directly or through intermediaries, any bribe, consideration , gift, reward, favour or any material or immaterial benefit or any other advantage from the BIDDER, either for themselves or for any person organization or third party related to the contract in exchange for an advantage in the bidding process,
- 1.2 Bid evaluation, contracting or implementation process related to the contract.
- 1.3 The BUYER will, during the pre-contract stage, treat all BIDDERS alike, and will provide to all BIDDERS the same information and will not provide any such information to any particular BIDDER which could afford an advantage to that particular BIDDER in comparison to other BIDDERS.
- 1.4 All the officials of the BUYER will report to the appropriate Government office any attempted or completed breaches of the above commitments as

well as any substantial suspicion of such a breach

In case any such preceding misconduct on the part of such official(s) is reported by the BIDDER to the BUYER with full and verifiable facts and the same is prima facie found to be correct by the BUYER necessary disciplinary proceedings, or any other action as deemed fit, including criminal proceedings may be initiated by the BUYER and such a person shall be debarred from further dealings related to the contract process. In such a case while an enquiry is being conducted by the BUYER the proceedings under the contract would not be stalled.

COMMITMENTS OF BIDDERS

The BIDDER commits itself to take all measures necessary to prevent corrupt practices, unfair means and illegal activities during any stage of its bid or during any pre-contract or post*contract stage in order to secure the contract or in furtherance to secure it and in particular commit itself to the following

- 1.1 The BIDDER will not offer directly or through intermediaries any bribe gift, consideration, reward favour, any material or immaterial benefit or other advantage, commission, fees, brokerage or inducement to any official of the BUYER, connected directly or indirectly with the bidding process or to any person, organization or third party related to the contract in exchange for any advantage in the bidding, evaluation, contracting and implementation of the contract.
- 1.2 The BIDDER further undertakes that it has not given, offered or promised to give, directly or indirectly any bribe, gift, consideration ,reward, favour, any material or immaterial benefit or other advantage, commission, fees, brokerage or inducement to any official of the BUYER or otherwise in procuring the Contract or forbearing to do or having done any act in relation to the obtaining or execution of the contract or any other contract with the Government for showing or forbearing to show favour or disfavor to any person in relation to the contact or any other contact with the Government.
- 1.3 BIDDERS shall disclose the name and address of agents and representatives and Indian BIDDERS shall disclose their foreign principals or associates
- 1.4 BIDDERS shall disclose the payments to be made by them to agents/brokers or any other intermediary, in connection with this bid/contract.
- 1.5 The Bidder, either while presenting the bid or during pre-contract negotiations or before signing the contract, shall disclose any payments he has made, is committed to or intends to made to officials of the BUYER or their family members , agents, brokers or any other intermediaries in connection with the contract and the details of services agreed upon for such payments.
- 1.6 The BIDDER will not collude with other parties interested in the contact to impair the transparency, fairness and progress of the bidding process, bid evaluation, contracting and implementation of the contract.
- 1.7 The BIDDER will not accept any advantage in exchange for any corrupt practice, unfair means and illegal activities
- 1.8 The BIDDER shall not use improperly, for purposes of competition or personal gain, or pass on to others, any information provided by the BUYER as part of the business relationship, regarding plans, technical proposal and business details, including information contained in any electronic data carrier. The BIDDER also undertakes to exercise due and adequate care lest any such information is divulged.
- 1.9 The BIDDER commits to refrain from giving any complaint directly or

- through any other manner without supporting it with full and verifiable facts
- 1.10 The BIDDER shall not instigate or cause to instigate any third person to commit any of the actions mentioned above
- If the BIDDER or any employee of the BIDDER or any person acting on behalf of the BIDDER, either directly or indirectly, is a relative of any of the officers of the BUYER, or alternatively, if any relative of any officer of the BUYER has financial interest/stake in the BIDDER's firm, the same shall be disclosed by the BIDDER at the time of filling of tender.
- The term "relative" for this purpose would be as defined in section 6 of the Companies ACT 1956.
- The BIDDER shall not lend to or borrow any money from or enter into any monetary dealings or transactions, directly or indirectly, with any employee of the BUYER.

PREVIOUS TRANSGRESSION

- 4.1 The BIDDER declares that no previous transgression occurred in the last three years immediately before signing of this Integrity Pact, with any other company in any country in respect of any corrupt practices envisaged hereunder or with any Public Sector Enterprise in India or any Government Department in India that could justify BIDDER's exclusion from the tender process
- 4.2 The BIDDER agrees that if it makes incorrect statement on this subject, BIDDER can be disqualified from the tender process or the contract, if already awarded, can be terminated for such reason.

EARNEST MONEY (SECURITY DEPOSIT)

- 1.1 While submitting commercial bid, the BIDDER shall deposit an amount of ₹ _____ (to be specified in RFP) as Earned Money / Security Deposit, with the BUYER through any of the following instructions:
- i) Bank Draft or a Pay Order in favour of _____.
 - ii) A confirmed guarantee by an Indian Nationalized Bank promising payment of the guaranteed sum to the BUYER on demand within three working days without any demur whatsoever and without seeking any reasons whatsoever. The demand for payment by the BUYER shall be treated as conclusive proof of payment.
 - iii) Any other mode or through any other instrument (to be specified in the RFP)
- 1.1 The Earnest Money / Security Deposit shall be valid up to a period of five years or the complete conclusion of the contractual obligations to the complete satisfaction of both the BIDDER and the BUYER, including warranty period, whichever is later.
- 1.2 In case of the successful BIDDER a clause would also be incorporated in the Article pertaining to Performance Bond in the Purchase Contract that the provisions of Sanctions for Violation shall be applicable for forfeiture of Performance Bond in case of a decision by the BUYER to forfeit the same without assigning any reason for imposing sanction for violation of this Pact.
- 1.3 No interest shall be payable by the BUYER to the BIDDER on Earnest Money/Security Deposit for the period of its currency

SANCTIONS FOR VIOLATIONS

- 6.1 Any breach of the aforesaid provisions by the BIDDER or any one employed by it or acting on its behalf (whether with or without the knowledge of the BIDDER) shall entitle the BUYER to take all or any one of the following actions, wherever required :
- i) To immediately call off the pre contract negotiations without assigning any

reason or giving any compensation to the BIDDER. However, the proceedings with the other BIDDER(s) would continue.

- ii) The Earnest Money Deposit (in pre-contract stage) and /or Security Deposit /Performance Bond (after the contract is signed) shall Stand forfeited either fully or partially, as decided by the BUYER and the BUYER shall not be required to assign any reason therefore.
 - iii) To immediately cancel the contract, if already signed, without giving any compensation to the BIDDER.
 - iv) To recover all sums already paid by the BUYER, and in case of an Indian BIDDER with interest thereon at 2% higher than the prevailing Prime Lending Rate of State Bank of India, while in case of a BIDDER from a country other than India with interest thereon at 2% higher than the LIBOR. If any outstanding payment is due to the BIDDER from the BUYER in connection with any other contract for any other stores, such outstanding payment could also be utilized to recover the aforesaid sum and interest.
 - v) To encash the advance bank guarantee and performance bond/warranty bond, if furnished by the BIDDER, in order to recover the payments, already made by the BUYER, along with interest.
 - vi) To cancel all or any other Contracts with the BIDDER. The BIDDER shall be liable to pay compensation for any loss or damage to the BUYER resulting from such cancellation/rescission and the BUYER shall be entitled to deduct the amount so payable from the money(s) due to the BIDDER.
 - vii) To debar the BIDDER from participating in future bidding processes of the Government of India for a minimum period of five years, which may be further extended at the discretion of the BUYER.
 - viii) To recover all sums paid in violation of this Pact by BIDDER(s) to any middle man or agent or broker with a view to securing the contract.
 - ix) In cases where irrevocable Letters of Credit have been received in respect of any contract signed by the BUYER with the BIDDER the same shall not be opened.
 - x) Forfeiture of Performance Bond in case of a decision by the BUYER to forfeit the same without assigning any reason for Imposing sanction for violation of this Pact.
- 6.2 The BUYER will be entitled to take all or any of the actions mentioned at Para 6.1(i) to (x) of this Pact also on the Commission by the BIDDER or any one employed by it or acting on its behalf (whether with or without the knowledge of the BIDDER) of an offence as defined in Chapter IX of the Indian Penal code- 1860 or Prevention of Corruption Act- 1988 or any other statute enacted for prevention of corruption.
- 6.3 The decision of the BUYER to the effect that a breach of the provisions of this Pact has been committed by the BIDDER shall be final and conclusive on the BIDDER. However, the BIDDER can approach the Independent Monitor(s) appointed for the purposes of this Pact.

FALL CLAUSE

- 7.1 The BIDDER undertakes that it has not supplied /is not supplying similar product/systems or subsystems at a price lower than that offered in the present bid in respect of any other Ministry/Department of the Government of India or PSU and if it is found at any stage that similar product/systems or sub systems was supplied by the BIDDER to any other Ministry / Department of the Government of India or a PSU at a lower price, then that very price, with due allowance for elapsed time, will be applicable to the present case and the difference in the cost would be refunded by the BIDDER to the BUYER, if the contract has already been concluded.

INDEPENDENT MONITORS

- 8.1 The BUYER has appointed independent Monitors (hereinafter referred to as Monitors) for this Pact in consultation with the Central Vigilance Commission (Names and Addresses of the Monitors to be given)
- 8.2 The task of the Monitors shall be to review independently and objectively, whether and to what extent the parties comply with the obligations under this Pact.

The Monitors shall not be subject to instructions by the representatives of the parties and perform their functions neutrally and independently.

Both the parties accept that the Monitors have the right to access all the documents relating to the project/procurement.

As soon as the Monitor notices, or has reason to believe, a violation of this Pact, he will so inform the Authority designated by the BUYER.

The BIDDER(s) accepts that the Monitor has the right to access without restriction to all Project documentation of the BUYER including that provided by the BIDDER. The BIDDER will also grant the MONITOR. , upon his request and demonstration of a valid interest, unrestricted and unconditional access to his project documentation. The same is applicable to Subcontractors. The Monitor shall be under contractual obligation to treat the information and documents of the BIDDER / Subcontractor (s) with confidentiality.

The BUYER will provide to the Monitor sufficient information about all meeting among the parties related to the Project provide such meetings could have an impact on the contractual relations between the parties. The parties will offer to the monitor the option to participate in such meetings.

The Monitor will submit a written report to the designated Authority of BUYER /Secretary in the Department/within 8 to 10 weeks from the date of reference of intimation to him by the BUYER / BIDEER and should the occasion arise, submit proposals for correcting problematic situations.

4 FACILATION OF INVESTIGATION

In case of any allegation of violation of any provisions of this Pact or payment of commission, the BUYER or its agencies shall be entitled to examine all the documents including the Books of Accounts of the

BIDDER and the BIDDER shall provide necessary information and documents in English and shall extend all possible help for the purpose of such examination.

5 LAW AND PLACE OF JURISDICTION

This Pact is subject to India Law. The place of performance and jurisdiction is the seat of the BUYER.

6 OTHER LEGAL ACTIONS

The actions stipulated in this integrity Pact are without prejudice to any other legal action that may follow in accordance with the provisions of the extant law in force relating to any civil criminal proceedings

7 VALIDITY

- a) The validity of this integrity Pact shall be from date of its signing and extend up to 5years or the complete execution of the contract to the satisfaction of both the BUYER and the BIDDER and the BIDDER/Seller, including warranty period, whichever is later. In case BIDDER is unsuccessful, this Integrity Pact shall after six months from the date of the signing of the contract.
- b) Should one or several provisions of this Pact turn out to be invalid the remainder of this Pact shall remain valid. In case, the parties will strive to come to an agreement to their original intentions

The parties hereby sign this integrity Pact at
í í í í .oní í í í í í í í í

BUYER
Name of the Officer
Designation
Dept./Ministry/PSU

BIDDER
Chief Executive Officer

Witness:
1
2
3

Witness:

*provisions of these clauses would need to be amended/deleted in line with the policy of the BUYER in regard to involvement of Indian agents of foreign suppliers

Annexure-13

(Ref. Para 17.0.0.)

EXTRACTS FROM GFR-2005 ON DISPOSAL OF SURPLUS GOODS

Rule 196. Disposal of Goods

- i) An item may be declared surplus or obsolete or unserviceable if the same is of no use to the Ministry or Department. The reasons for declaring the item surplus or obsolete or unserviceable should be recorded by the authority competent to purchase the item.
- ii) The competent authority may, at his discretion, constitute a committee at appropriate level to declare item(s) as surplus or obsolete or unserviceable

The book value, guiding price and reserved price, which will be required while disposing of the surplus goods, should also be worked out. In case where it is not possible to work out the book value, the original purchase price of the goods in question may be utilized. A report of stores for disposal shall be prepared in Form GFR - 17.

In case an item becomes unserviceable due to negligence, fraud or mischief on the part of a Government servant, responsibility for the same should be fixed.

Rule 197. Modes of Disposal :

- i) Surplus or obsolete or unserviceable goods of assessed residual value above Rupees Two Lakh should be disposed of by :
 - a) obtaining bids through advertised tender or
 - b) public auction.
- ii) For surplus or obsolete or unserviceable goods with residual value less than Rupees Two Lakh, the mode of disposal will be determined by the competent authority, keeping in view the necessity to avoid accumulation of such goods and consequential blockage of space and, also, deterioration in value of goods to be disposed of.
- iii) Certain surplus or obsolete or unserviceable goods such as expired medicines, food grain, ammunition etc., which are hazardous or unfit for human consumption, should be disposed of or destroyed immediately by adopting suitable mode so as to avoid any health hazard and/or environmental pollution and also the possibility of misuse of such goods.
- iv) Surplus or obsolete or unserviceable goods, equipment and documents, which involve security concerns (e.g. currency, negotiable instruments, receipt books, stamps, security press etc.) should be disposed of / destroyed in an appropriate manner to ensure compliance with rules

relating to official secrets as well as financial prudence.

Rule 198. Disposal through Advertised Tender.

- i) The broad steps to be adopted for this purpose are as follows :
 - a) Preparation of bidding documents.
 - b) Invitation of tender for the surplus goods to be sold.
 - c) Opening of bids
 - d) Analysis and evaluation of bids received.
 - e) Selection of highest responsive bidder.
 - f) Collection of sale value from the selected bidder.
 - g) Issue of sale release order to the selected bidder.
 - h) Release of the sold surplus goods to the selected bidder.
 - j) Return of bid security to the unsuccessful bidders.
- ii) The important aspects to be kept in view while disposing the goods through advertised tender are as under :-
 - a) The basic principle for sale of such goods through advertised tender is ensuring transparency, competition, fairness and elimination of discretion. Wide publicity should be ensured of the sale plan and the goods to be sold. All the required terms and conditions of sale are to be incorporated in the bidding document comprehensively in plain and simple language. Applicability of taxes, as relevant, should be clearly stated in the document
 - b) The bidding document should also indicate the location and present condition of the goods to be sold so that the bidders can inspect the goods before bidding.
 - c) The bidders should be asked to furnish bid security along with their bids. The amount of bid security should ordinarily be ten per cent of the assessed or reserved price of the goods. The exact bid security amount should be indicated in the bidding document.
 - d) The bid of the highest acceptable responsive bidder should normally be accepted. However, if the price offered by that bidder is not acceptable, negotiation may be held only with that bidder.
 - e) In case the total quantity to be disposed of cannot be taken up by the highest acceptable bidder, the remaining quantity may be offered to the next higher bidder(s) at the price offered by the highest acceptable bidder.
 - f) Full payment, i.e. the residual amount after adjusting the bid security should be obtained from the successful bidder before releasing the goods

- g In case the selected bidder does not show interest in lifting the goods, the bid security should be forfeited and other actions initiated including resale of the goods in question at the risk and cost of the defaulter, after obtaining legal advice.
- h Late bids i.e. bids received after the specified date and time of receipt should not to be considered

Rule 199. Disposal through Auction

- i) A Ministry or Department may undertake auction of goods to be disposed of either directly or through approved auctioneers.
- ii) The basic principles to be followed here are similar to those applicable for disposal through advertised tender so as to ensure transparency, competition, fairness and elimination of discretion. The auction plan including details of the goods to be auctioned and their location, applicable terms and conditions of the sale etc. should be given wide publicity in the same manner as is done in case of advertised tender.
- iii) While starting the auction process, the condition and location of the goods to be auctioned, applicable terms and conditions of sale etc., (as already indicated earlier while giving wide publicity for the same), should be announced again for the benefit of the assembled bidders.
- iv) During the auction process, acceptance or rejection of a bid should be announced immediately on the stroke of the hammer. If a bid is accepted, earnest money (not less than twenty-five per cent. of the bid value) should immediately be taken on the spot from the successful bidder either in cash or in the form of Deposit-at-Call-Receipt (DACR), drawn in favour of the Ministry or Department selling the goods. The goods should be handed over to the successful bidder only after receiving the balance payment.
- v) The composition of the auction team will be decided by the competent authority. The team should however include an officer of the Internal Finance Wing of the department.

Rule 200. Disposal at scrap value or by other modes :

If a Ministry or Department is unable to sell any surplus or obsolete or unserviceable item in spite of its attempts through advertised tender or auction, it may dispose of the same at its scrap value with the approval of the competent authority in consultation with Finance division. In case the Ministry or Department is unable to sell the item even at its scrap value, it may adopt any other mode of disposal including destruction of the item in an eco-friendly manner.

Rule 201. A sale account should be prepared for goods disposed of in Form.

GFR 18 duly signed by the officer who supervised the sale or auction.

Rule 202.

- 1 Powers to write off :

All profits and losses due to revaluation, stock-taking or other causes shall be duly recorded and adjusted where necessary. Formal sanction of the competent authority shall be obtained in respect of losses, even though no formal correction or adjustment in government accounts is involved. Power to write off of losses is available under the Delegation of Financial of the University.

Losses due to the depreciation shall be analyzed, and recorded under following heads, as applicable :-

- i) normal fluctuation of market prices;
- ii) normal wear and tear;
- iii) lack of foresight in regulating purchases; and
- iv) Negligence after purchase.
- v) Losses not due to the depreciation :

Losses not due to the depreciation shall be grouped under the following heads :-

- i) losses due to theft or fraud;
- ii) losses due to neglect;
- iii) anticipated losses on account of obsolescence of stores or of purchases in excess of requirements;
- iv) losses due to damage, and
- v) losses due to extra ordinary situations under Force Majeure conditions like fire, flood, enemy action, etc

Annexure-14

Indent Monitoring System

Register of Indents

(1st April 2011 to 31st March 201...)

Date	SINo.	From whom received	Brief details	Unit Name/No.	Date & Receipt of the Dealing Asst.	Category of Indent (Urgent/Planned)	Action taken					
							Date of rejection of Indent	S.O. details	P.O. details	DC details	Date of handing over to Department	Dated Initials of Dealing Asst.
1	2	3	4	5	6	7	8	9	10	11	12	13

Note:

An item entered in the Register should not be closed till the finality of action i.e, Rejection of the Indent / Date of Handing over of the goods / Date of Installation of the equipment in the University as the case may be.

A. The Purchase Order details should contain P.O. No. Date, Name of the Supplier and value of the P.O.

B. Pending Purchase Orders of previous financial year should be carried over to the subsequent financial year in the 1st closing. These should be cleared by recording supply details against original entries in the old registers as and when received and closing should be updated accordingly.

C. The Register should be closed every month on 5th and submitted to the Registrar and on 5th January and 5th July every year to the Vice-Chancellor after closing the same to the end of 25th of previous month as shown in the following illustration on the next page:

Register to be submitted to the Vice Chancellor on 5th July 2012

Opening Balance : xxxxxxxx (A)

Purchased orders issued from 26.12.2011
to 25 06 2012 : xxxxxxxx (B)

Total No. of POs issued (A+B) : xxxxxxxx (C)

Supplies received and handed over to
Indenters : xxxxxxxx (D)

Closing Balance (C-D) : xxxxxxxx (E)

Details of C.B.

SL No.	Sl. No. of Indent Register	P.O. Details	Brief details of supply	Indentor Dept	Reasons for delay	Remarks of Purchase Dept.
1	2	3	4	5	6	7

Jr. Asst.

SO

Asst. Registrar (Purchase)

Registrar

Vice Chancellor