



Adoption of GFR2005 guidelines and the modification of the purchase procedures of NIT,Trichy

The recommendations of the committee constituted for the adoption of GFR2005 guidelines and the modification of the purchase procedures of NIT, Trichy were discussed by the board and it approves their adoption in the modified form as follows:

Purchase procedure as per GFR2005

1. Purchase of Goods upto Rs.15,000/- (without quotation)

Purchase of goods up to the value of Rs.15,000/- (Rupees Fifteen thousands only) either from India or abroad on each occasion may be made without inviting quotations or bids on the basis of a certificate to be recorded by the Purchase Initiator in the following format.

"I,, am personally satisfied that these goods purchased are of requisite quality and specification and have been purchased from a reliable supplier at a reasonable price

Counter signed by HoD

Signature of Purchase Initiator"

2. Purchase of goods costing above Rs.15,000/- and upto Rs.1,00,000/-

LIMITED QUOTATION

Purchase of goods costing above Rs. 15,000/- (Rupees Fifteen Thousands) only and upto Rs. 1,00,000/- (Rupees One lakh) only on each occasion may be made on the recommendations of a duly constituted Purchase Committee (as per annexure-1). The committee shall draft the specifications and prepare the tender document and send the tender notice to minimum 5-6 firms. The committee will survey the market to ascertain the reasonableness of rate, quality and identify the appropriate supplier among these firms. Before recommending placement of the purchase order, the members of the purchase committee will jointly record a certificate as under.

"Certified that we as members of the purchase committee are jointly and individually satisfied that the goods recommended for purchase are of the requisite specification and quality, priced at the prevailing market rate and the supplier recommended is reliable and competent to supply the goods in question.



Signatures of purchase committee members”

For the purpose of above certification reference documents such as listed prices from websites, orders placed by other institutes/departments may be used.

3. Purchase of goods costing above Rs.1,00,000/- up to Rs.5,00,000/-

• WEB NOTIFICATION / LIMITED QUOTATION

Purchase of goods costing above Rs.1,00,000/- (Rupees One lakh) and upto Rs.5,00,000/- (Rupees Five lakhs) only on each occasion may be made from India or abroad on the recommendation of the Purchase Committee (as per annexure-1). The committee shall draft the specifications and prepare the tender document and send the tender notice to 5-6 firms. The tender notice would also be put up in the institute web site. Based on the specification committee recommendations, either single bid or two bid procedure can be followed.

4. Purchase of goods costing above Rs.5,00,000/- up to Rs.25,00,000/-

• Open tender enquiry

Purchase of goods costing above Rs.5,00,000/-(Rupees Five lakhs) and upto Rs.25,00,000/-(Rupees Twenty Five lakhs) only on each occasion may be made from India or abroad on the recommendation of the Purchase Committee (as per annexure-1). The committee shall draft the specification and prepare the tender document. A short tender notification must be issued in at least one leading newspaper/e-tendering. The tender notice would also be put up in the institute web site.

- Two bid system (technical and financial) for materials/instruments of complex nature
- Single tender enquiry for proprietary items/in case of emergency/for spare parts of compatible equipments.The reason for deciding on single tender has to be certified by the purchase committee.



Operating procedure for issuing short tender notification in newspapers

For reducing the expenses in issuing short tender notification, the institute may pool up the list of items to be short tendered from various departments and projects, every month and issue the advertisement in at least one leading newspaper. Detailed tender document shall be posted in the web site. The expenditure incurred shall be borne by the Institute for purchase of goods through institute plan fund.

5. Purchase of items costing above Rs.25,00,000/-

- Advertised tender enquiry with a brief description of the item/work/contract in one national daily and two local news papers having wide circulation and bid documents should be posted in institute website.
- Single tender enquiry for proprietary items/ for spare parts of compatible equipments. The reason for deciding on single tender enquiry has to be certified by the duly constituted purchase committee (as per annexure-1).
- Two bid system (technical and financial) for materials/instruments of complex nature.

6. Purchases of sophisticated equipment and items under proprietary category (costing more than Rs 5 lakhs)

The departments are required to identify two experts from IITs or reputed national laboratories for the purchase of each of these items. Subsequent to specification committee meeting, the opinion of these experts on the specifications and /or the proprietary nature of the item (if applicable) should be obtained through email and should be enclosed with the other documents for the further processing. The experts may be paid honorarium (similar to sitting fee for purchase committee) for this purpose. The departments are also required to submit the contact details (name, address and phone number) of the two institutions where the particular equipment (or the most recent model) has been procured and is operational. This is to independently



ensure the performance quality of the equipment before purchase order is placed.

To prevent old equipment being supplied (after re-painting etc), the services of agencies certified by NABL may be availed. This may also be used for getting the performance specifications certified by the agency. Such agencies may be paid for this by NIT, Trichy. The purchase initiators may include these conditions in the tender document.

7. Department operating Cost (DoC)/ Project operating Cost (PoC)

Department operating Cost may be issued as advance to each department and may be fixed as Rs.50,000/-(Rupees Fifty Thousand) only for each quarter. A ceiling of Rs.2,00,000/-/(Rupees Two lakh) only may be fixed per department for the entire financial year. Every quarter, bills for the expense incurred and Account Statement would be submitted to the institute administration office and the DoC may be recouped. The DoC should be used for urgent purchase of stationery, refreshment charges, payment to cleaning employees, sitting fees for purchase committee meetings and maintenance activities. No items, which become an asset to the institute, should be purchased through DoC.

Project investigators (PI) may be issued project operating cost (PoC) out of the project funds as an advance. PoC issued per quarter is one fourth of the total grant received by the institute for the project in the consumable and contingency head for the particular financial year. Every quarter, bills for the expense incurred from (PoC) may be submitted and the PoC may be recouped.

8. Advance payment for purchases from abroad

Advance payment may be made for the purchase of software/equipments from reputed suppliers from abroad on the recommendation of the purchase committee. The maximum value of such advances made shall not exceed rupee equivalent of Rs.6,00,000/-/(Rupees Six lakh)only . Such payments will be treated as advance against the purchase initiator and will be settled after the goods are received as per the specification in the purchase order.

9. Constitution of purchase committee and delegation of financial powers

In view of the above recommendations, the constitution of purchase committee and delegation of financial powers are modified as per the annexure I.

For any items not covered in the above recommendations, the GFR2005 rules may be referred as an operating document.

Detailed guidance for awarding Comprehensive Annual Maintenance contract of equipments, computers and allied items and Air conditioners

Annual Maintenance Contract:

Depending on cost and nature of the goods to be purchased, it may also be necessary to enter into maintenance contracts for a suitable period either with the supplier of the goods or with any other competent firm, not necessarily the supplier of the subject goods. Such maintenance contracts are specially needed for sophisticated and costly equipment and machinery. It may however be kept in mind that the equipment or machinery is maintained free of charge by the supplier during its warranty period or such other extended periods as the terms of contract may provide for. The paid maintenance should commence only there after wards.

The annual maintenance contract, repair contract, repair work from the manufacturer / manufacturer's authorized supplier, in respect of various equipment in the department, may be entered into by the HOD for maximum of 10% of the equipment cost or Rs 1,00,000/(Rupees One lakh) only whichever is less.

The original manufacturer of the supplied items or their authorized service providers may be preferred at least for a period of 5 years from the date of its supply/installation to keep the originality of the supplied items. However, in case, manufacturer/the authorized service provider's services are not upto



the mark or they do not agree to enter as per rates finalized at the time of purchase then the AMC may be given to the vendor other than the original manufacturer/supplier or its authorized service providers. However, the rates from third party vendors should be less than the rates offered by manufacturer and their authorized service provider.

In all other cases, quotations will be invited and normal purchase rules shall be adhered to.

In case of renewal of the Annual Maintenance Contract (AMC), the following points may be taken care of while sending the proposal for renewal of Annual Maintenance Contract;

- AMC should be from a prospective date. In order to ensure this, the HODs shall be required to initiate action for renewal of AMC at least 90 (Ninety) days before the expiry of previous AMC.
- In case of renewal, the service report /log book should be sent along with the proposal.
- Advance should be paid against bank guarantee, if the amount is more than Rs.1,00,000/- /(Rupees One lakh)only

Repeat Orders

Repeat orders are processed subject to the following conditions:-

- The repeat order can be made with no change in the rates, specifications as well as terms & conditions of supply.
- The repeat order shall be placed within six months time from the date of placing the purchase order after ensuring that there is no significant reduction (more than 10%) in the cost of the item(s).
- No repeat order will be placed if buy-back is involved in the purchase.
- Any amended order shall not be considered for repeat order.



- The repeat order may be placed only one time from the same department/centre for a quantity equal or less than that in the original purchase order.
- Repeat order may be allowed once by any department other than the one that placed the original purchase order, for a quantity equal or less than that in the original purchase order.

Annexure – I

Constitution of purchase committee and delegation of financial powers

Purchase committee members according to purchase value

Purchase Value	Authority to approve the committee	Members
Upto Rs.15,000/-	---	Purchase initiator (PI)/HOD
Above Rs.15,000/- to Rs.1,00,000/-	Dean (P&D)/ Dean (R&C) in case of project	<ul style="list-style-type: none"> • HOD – Chairman • Purchase initiator – Convener • Two NIT,Trichy faculty as members • Dy. Registrar (Accounts)
Above Rs.1,00,000/- to Rs.5,00,000/-	Deans committee consisting of Dean (P&D) / (R&C) and one more dean who is not the chairman of the purchase committee	<ul style="list-style-type: none"> • Dean (P&D)/(R&C)– Chairman • HOD or his nominee – Convener • Purchase initiator – Member • Two NIT,Trichy faculty as members • Dy. Registrar (Accounts)
Above Rs.5,00,000/- to Rs.25,00,000/-	Director	<ul style="list-style-type: none"> • Director's nominee - Member • Dean (P&D)/(R&C)– Chairman • HOD - Convener • Initiating faculty – Member • Two NIT,Trichy faculty as members • Registrar - Member • Two expert members (From other govt. institutes / university / industry / R&D labs) • Dy. Registrar (Accounts)- Member
Above	Director	<ul style="list-style-type: none"> • Dean (P&D)/(R&C)– Chairman



Rs.25,00,000/-		<ul style="list-style-type: none">• HOD – Convener• Director's nominee - Member• Registrar - Member• Initiating faculty – Member• Two NIT, Trichy faculty as Members• Two expert members (From other govt. institutes / university / industry / R&D labs)• Dy. Registrar(Accounts) - Member
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*(For Director's Nominee- Any one Dean other than Dean(P&D)/ (R&C)- or any Professor who is not a member in the same committee may be co-opted as member. Director's nominee will be from a department other than the one processing the purchase.)



The following norms are approved for purchases through tender

Charges for the sale of tender forms to suppliers:—

- (a) Works costing upto Rs.3 lakh:NIL
- (b) Works costing above Rs.3 lakh and Rs.50 lakhs.....Rs.150
- (c) Works costing more than Rs.50 lakhs and upto Rs.2 crore.....Rs.500
- (d) Works costing above Rs.2 crores:Rs.1000

Rates for Earnest Money Deposit

- (i) For works estimated to cost upto Rs.Ten crores :
2% (Two percent) of the estimated cost.
- (ii) For works estimated to cost more than Rs.Ten crores:
Rs.Twenty lakhs plus 1% (one percent) of the estimated cost in excess of Rs.Ten crores.

Time limit for publicity of tenders between the date of call for tenders and the date of opening of tenders :

- 10 days - costing upto Rs 10 lakhs
- 2 weeks - costing between Rs 10 to Rs 50 lakhs
- 3 weeks- costing more than Rs 50 lakhs
- 4 weeks - if the equipment has a bidder from foreign country and costing more than Rs 50 lakhs.