

PROCUREMENT POLICY

GOODS AND SERVICES



February 1, 2024

CAPEXIL

NEW DELHI

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**1. GENESIS**

Capexil was set up in 1958 with the approval of Ministry of Commerce & Industry as an Export Promotion Council for certain products. As on date, there are 16 panel products monitored for their international trade development. The export promotion activities are carried out from funding under Market Access Initiative Scheme of Government of India. Any purchase for Market Access Initiatives has to be made in compliance with guidelines of Government of India under Procurement Policy for Goods and Services as notified and available on website of Department of Financial Services, Ministry of Finance.

Considering above, Capexil needs to have a policy which is simple, economical, transparent, sustainable and effective and also keeping in mind the guidelines of Government of India for procurements.

Over the years it has become inevitable to formulate a policy for purchases based on the conventions evolved in Capexil over a period of its 5 decades of existence. This is first attempt to streamline the purchase of Capital Goods, Consumbales, Consultants, AMCs and Repair and Maintenance of the Head Offices and its Regional Offices. The proposed policy is based on General Financial Rules applicable in common parlance and on the Delegation of Financial Powers of MDI (Copy of delegation of financial powers is enclosed).

**2. INTRODUCTION**

President or any other delegated officer, is the competent authority to approve purchases for the Capexil subject to the Rules and Regulations, Bye Laws, General or Specific directions of the Capexil and Delegation of Financial Powers as approved by the Committee of Administration.

The indenter shall always fill up and sign the indent / request and the same shall be approved by the Competent Authority. The Competent Authority shall be determined by the Delegation of Financial Powers as approved by the Committee of Administration of Capexil. The indenter or concerned division shall submit the proposal of Capital Items, construction projects, IT Procurement and Repair & Maintenance (of more than Rs. 5 lakhs) or as the value decided by Competent Authority, shall be routed through special committees as set up by the competent authorities like Capital Purchase Committee, IT Committee, Construction Committee, etc. to make the procurement as per the laid down criteria.

**3. TYPES OF PURCHASES / PROCUREMENTS**

1. Capital Equipment’s and Assets ( items of more than Rs. 5000 with perpetual existence)

2. General Purchases and Consumables

3. Procurement of Services

4. Repairs and Maintenance Items

5. Consultancy

6. Engagement of outsourced staff

7. E Procurement

8. Annual Maintenance Contracts

9. Insurance

10. Any other procurement

All purchases should be under monitoring of Central Purchase Department. An officer of Joint Director / Director shall monitor the purchases at HQ as well as at Regional Offices to maintain consistency in procurements and its procedures. To the extent possible, cost of carrying obsolete stock should be minimized. Consumables should not be stored for consumption for more than 3-6 months.

**4. TENDERING PROCESS, COMMITTEES AND PURCHASE PROCEDURES**

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| --- | --- | --- |
| **Nomenclature of the Committee** | **Procedure / Mode** | **Remarks (if any)** |
| **Local Purchase Committee** | At the discretion of Purchase Department where the value of an item does not exceed Rs. 25000/-, procurement can be effected against cash / credit payment without inviting quotations or going through the tendering procedure. For effecting such purchases, the indenter shall take prior approval of the competent authority.  Purchase of goods upto the value of Rs. 25,000 (Rupees Twenty Five Thousand only) on each occasion may be made without inviting quotations or bids on the basis of a certificate to be recorded by the user / Purchaser as follows :  “I,\_\_\_\_\_\_\_\_\_\_\_ am, personally satisfied that these goods purchased are of the requisite quality and specification and have been purchased from a reliable supplier at a reasonable price.” |  |
| **Local Purchase Committee** | Purchases of an estimated value not exceeding Rs. 2,50,000/- can be made where considered absolutely necessary, by a team called Purchase Committee constituted for the purpose consisting of representatives from Finance, Purchase and Indenter.  The Committee shall be constituted by the Executive Director for which action will be initiated by Head of Central Purchase Committee or Regional In charge.  For effecting such purchase, the indenter shall obtain the prior approval of the Competent Administrative Authority, specifying in writing the need for such mode of purchases.  Purchase of goods costing above Rs. 25,000/- and upto Rs. 2,50,000/- on each occasion may be made on the recommendations of a duly constituted Local Purchase consisting of three members of an appropriate level not below Executive Officer. The committee will survey the market to ascertain the reasonableness of rate, quality and specifications to identify the appropriate supplier. Before recommending placement of the purchase order, the members of the committee will jointly record a certificate as under :  “Certified that we\_\_\_\_\_\_\_\_\_\_\_, 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.”  Signed by all members of the committee |  |
| **Limited Tender Quotations Committee** | In case estimated value of the goods or services to be procured is in between Rs. 2,50,000/- to Rs. 25,00,000/- , Limited Tender Enquiry shall be invited by sending written enquiries directly by speed post / registered post / courier / email / to all / maximum numbers of known and reputed suppliers for the item concerned as applicable as per prevailing guidelines or of notified standards.  The number of supplier firms in Limited Tender Enquiry should not be less than THREE. Further, web-based publicity should be given for limited tenders. Efforts should be made to identify a higher number of reputed/ reliable / certified / branded suppliers and known sources to obtain more responsive bids on competitive basis.  In case of non-availability of appropriate numbers of known and reputed suppliers, open tender enquiries could be invited even if estimated value of the goods to be procured is less than Rs. 25,00,000/-.  The evaluation has to be done on the basis of technical and financial bids basis. Two bids to be invited under Limited Tender viz. Technical and Financial bids. The weightage of each bid has to be pre-decided and notified in tenders.  In case, the technical parameters are not clear for the goods or services, then Expression of Interests be invited before inviting technical and financial bids.  The ratio of Technical and Financial shall be 60:40 or as decided by President / COA.  ““Certified that we\_\_\_\_\_\_\_\_\_\_\_, members of the purchase committee are jointly and individually satisfied that the Limited Tenders were invited as per procedure laid down in Capexil Procurement of Goods and Service Manuals and the limits set thereof. Bids have been invited and evaluated on technical and financial parameters. Weightage was given for technical @...... % and financial @..... %. Based on the combined score of weightage, M/s …………………..are recommended for approval of President / COA at the total price of Rs………………excluding GST . The approved price recommended is within the estimates / not within the estimates for the reason…………………………… The budget for the activity / goods/ service/ is available for the financial year(s)……………………The goods recommended for purchase are of the requisite specification and quality, priced at the prevailing market rate and the supplier (based on its credentials) recommended is reliable and competent to supply the goods in question.”  Duly signed by the members of Committee before recommending for approval |  |
| **Open Tender Committee** | The open Tender procedure shall normally be followed for all procurement worth more than Rs. 25,00,000/- (splitting of indents in order to bring it outside the ambit of open tender method is strictly prohibited). However, if deemed necessary / appropriate, open tender inquiry could also be invited in cases where estimated procurement is less than Rs. 25,00,000/- but the reliable and reputed suppliers are limited or less than THREE.  The minimum time to be allowed for submission of bids should be three weeks from the date of publication of the tender notice or availability of the time in case of important and urgent event, whichever is earlier. Executive Director to decide the period based on constraints. Where department also contemplates bids from abroad, the minimum period should be kept as four weeks.  The Notice Inviting Tender shall be given in at least one national dailies, one local regional paper and should be published on Capexil website under Tenders.  The notice inviting tenders shall be short, clearly worded and unambiguous. It should give a brief description of the item / equipment / service 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 tender documents, the date, time and venue of opening of tenders. Technical tender should be opened first, evaluated and financial bids of T1 should be opened only.  The negotiations can be done with L1 only by the committee and their recommendations should be clearly presented with a certificate as hereunder:  ““Certified that we\_\_\_\_\_\_\_\_\_\_\_, members of the purchase committee are jointly and individually satisfied that the tenders were invited as per procedure laid down in Procurement of Goods and Service Manuals and the limits set thereof. Bids have been invited and evaluated on technical and financial parameters. Weightage was given for technical @...... % and financial @..... %. Based on the combined score of weightage, M/s …………………..are recommended for approval of President / COA at the total price of Rs………………excluding GST . The approved price recommended is within the estimates / not within the estimates for the reason…………………………… The budget for the activity / goods/ service/ is available for the financial year(s)……………………The goods recommended for purchase are of the requisite specification and quality, priced at the prevailing market rate and the supplier (based on its credentials) recommended is reliable and competent to supply the goods in question.”  (Duly signed by all members of the committee)  To reduce expenditure on advertisement, an abridged tender notice may be released through newspapers with a direction to see complete details on Capexil Website.  Notice Inviting Tender (NIT) along with complete bidding document shall also be published on Capexil website and prospective bidders shall be permitted to make use of the document downloaded from the website. If such a downloaded bidding document is priced, there should be clear instructions for the bidder to pay the amount by demand draft etc. along with the bid. |  |
| **Single Tender Bids Committee** | Purchase of Proprietary / specified brand goods may be made on single tender basis from the manufacturers or from their authorized distributors on the recommendations of the indenter in the following circumstances.:  (i) It is in the knowledge of the user department that stores / equipment required is manufactured only by that particular supplier and no one else. Proprietary Certificate has been provided by the indenter with due justification.  (ii) In a case of emergency, the required goods are necessarily to be purchased from a particular source and the reason for such decision is to be recorded and approval of competent authority obtained.  (iii) For standardization of machinery or spare parts compatible with the existing sets of equipments (on the advise of competent technical expert and approved by President), the required item is to be purchased only from a selected firm.  The Head of Central Purchase Department shall submit the following Proprietary Article Certificate :  CERTIFICATE  (a) The …………(name of the indented goods) are manufactured by M/s …………………..(name of manufacturer only) only in India.  (b). No other make or model is acceptable for the following reasons :  …………………………………………………………….  …………………………………………………………….  (Certificate has to be received from Vendor)  (c) Concurrence of finance has been obtained (Copy attached).  (d) Approval of the administrative competent authority has been obtained (copy attached.)  (Further concurrence of Finance and Administration is taken)  Above all to be signed by Procuring Officer with date and time |  |
| **Consultancy Assignments** | The procedure as mentioned above would be followed for award of consultancy projects also. The terms of reference including estimated cost and deliverables to be decided and communicated after approval of President and Executive Director.  The indenter shall have to give compliance certificate for the satisfactory delivery of the services as expected and laid down in the purchase order for processing of the payment to the vendor. The following certificate shall be provided while proposing payment for the assignment on completion of the consultancy.  *“It is certified that the consultancy has been completed as per the terms of reference of the assignments and the assignments have been completed to our satisfaction within the approved cost”.* |  |
| **Service Contracts** | The procedure as laid down for goods have to be followed for service contracts also. |  |

**5. RECEIPT OF GOODS AND STORE**

The goods procured for stock has to be recorded in register of stock and stored properly under custody of store keeper. The stock register would be under the supervision of Head of Central Purchase Department. Every receipt and issue of stock has to be recorded in the register with proper record of issue (viz. name of officer receiving stock, date of issue, quantity etc.). The register shall be verified with stock after every six months e.g. ending on 30th Sept and 31st March every year.

In view of regional offices, separate registers be maintained and on six months basis a report of verification be generated and sent to In charge Accounts and Head of Central Purchase Department in HQ.

**6 FIXED ASSETS REGISTER**

All Assets purchased by HQ or Regional Offices have to be recorded in Fixed Assets Register in Regional Offices. All purchase invoices are sent to HQ for accounting. Therefore, a Central Fixed Assets Register will also be maintained at HQ by Incharge of Central Purchase Department / Head of Administration (as the case decided by Executive Director)

The Register at Regional Office or at HQ must have details of each asset with proper description, date of purchase, quantity, value in Rs., brand, date of issue, issuing authority, user of asset, serial number of assets, etc. Every asset shall be numbered by regional incharge or head of office.

At the end of the year, internal auditors shall verify the Fixed Assets Register with the additions / deletions and closing balances with the physical assets. Physical assets verification report shall be prepared by Head of Central Purchase Department and submitted by Head of Office of Kolkatta to Executive Director and Secretary.

Assets of more than Rs. 5000/- (Rs. Five Thousand only) shall be treated as Fixed Assets. The indenter shall receive the purchased items and report its receipt in good condition.

The Indenter and the store keeper in presence of the procurement in charge shall inspect facilitate the store keeper to record the receipt of the same and send a copy of the Material Receipt Report with a complete set of the documents to the Accounts Department with certificate as mentioned above, for capitalization if required. The financial aspects related to procurement and the related documents are subject to internal audit.

The following note shall be put up for release of the payments of all procurements of goods or services.

“This is certified that the invoice number ………….. dated………… of total value of Rs. …………… has been examined as per the terms and conditions of award letter dated ……………… for total value of Rs. ………….. after approval of Secretary / President / COA. The rates applied are within the approved rates. The work has been completed satisfactorily in accordance with the terms and conditions of award letter / Purchase Order. The rates of services / goods supplied are within the rates approved by Secretary / President / COA and the material and services were of utmost standards, quality and brand. The bills / invoices / claims are processed and recommended for approval and payments. ”

**7. AUTHORITY FOR INTERPRETATION**

For interpretation of the above laid down procedures, Executive Director shall be final authority for interpretation. In case of any deviations in the proposals and purchases made, from the above President shall be the final authority to decide.

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