

Purchase

Procedure

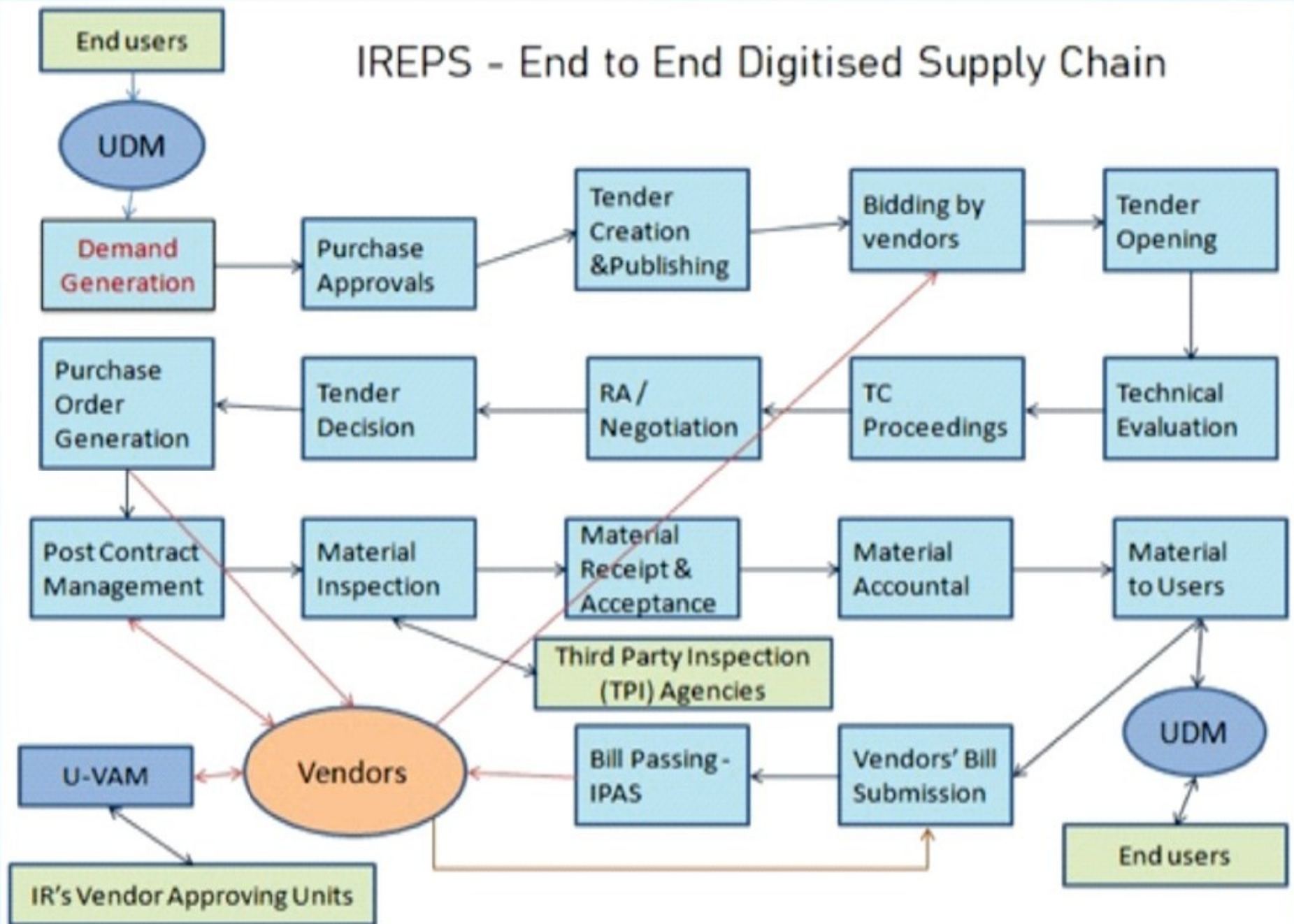
&

Types

of

Tenders

IREPS - End to End Digitised Supply Chain



उद्देश्य:

- सार्वजनिक खरीद/सरकारी खरीद में खरीदार को न केवल ईमानदार होना चाहिए बल्कि ईमानदारी दिखाना भी चाहिए। दूसरे शब्दों में उन्हें निर्धारित प्रक्रियाओं और नीतियों का पालन करना चाहिए जो जनता के विश्वास को प्रेरित करती हैं। प्रक्रिया ऐसी होनी चाहिए जिससे सरकार के हितों की रक्षा हो और साथ ही किसी तरह का पक्षपात या भेदभाव न हो। कुछ हद तक पारदर्शिता होनी चाहिए। अर्थात्, खरीद विभाग को एक निष्पक्ष खरीदार की छवि पेश करनी होती है।

1. AIMS OF PURCHASE DEPARTMENT खरीद विभाग के उद्देश्य

- To buy right quantity of goods.
(सही मात्रा में सामान की खरीदी)।
- Of right specification and quality.
(सही विनिर्देश और गुणवत्ता)
- At right Price and
(सही कीमत पर)
- At right time through (सही समय पर)
- From right sources.(सही स्रोतों से)

This helps the organisation in achieving
(यह संगठन को निम्न प्राप्त करने में मदद करता है):

- The uninterrupted flow of materials.
(सामग्री का निर्बाध प्रवाह) ।
- Economy, as the price paid is the right price and the right quality ensures lesser wastage.
(अर्थव्यवस्था, क्योंकि भुगतान की गई कीमत सही कीमत है और सही गुणवत्ता कम अपव्यय सुनिश्चित करती है) ।
- Lesser inventory as timely supply is ensured.
(समय पर आपूर्ति से इन्वेंट्री को कम सुनिश्चित की जाती है) ।
- Lesser stock-outs.
(कम स्टॉक-आउट) ।
- Better buyer and supplier relationship.
(बेहतर खरीदार और आपूर्तिकर्ता संबंध) ।

Agency for Purchase (खरीद के लिए एजेंसी):

- **Ministry of Purchase (Railway Board):** Locomotives, Rolling stock like coaches and wagons, Wheel tyres and axle, Steel, some items of oils and grease.
- **PCMM's of the Railway:** All the items required by the respective railway.
- **PCMM's of Production unit:** All the requirements of Production units and also few items of Railways which have been centralised for procurement.
- **COFMOW:** Procurement of machines required by the Railways Workshops for modernisation purpose. As per Railway Board's letter No. 2021/O&M/18/5/1 (stores COFMOW) dated 18.10.2022 closed down with effect from 01.12.2022.

Modes of Direct Purchase:

- In order to inspire public confidence regarding fairness of procurement, all public procurement are done through tenders.
- Small value purchase (Local Purchase): up to the value of Rs. 1.00 Lakh.
- Limited Tender enquiries are issued to Registered Local Suppliers.
- The collection of single quotation may be adopted for articles upto Rs. 50,000/.

Types of Tenders

- Single Tender
- Limited/Bulletin tender
- Advertise Tender
- Global Tender

Single Tender (एकल निविदा):

- If tender enquires is issued to only one firm then it is called Single tender. It is issued to generally the OEM (Original Equipment Manufacturer) of the tendered item.
- It is issued in case of (i) Item is manufactured by only one firm or (ii) the item of only one manufacturer will suit even through more than one Manufacturer may be making it.
- PAC to be submitted by the user department.
- IN PAC(Proprietary Article Certificate):
 - (a) No other make/brand will be suitable.
 - (b) This is the only firm who is manufacturing/ stocking this item.
 - (c) A similar article is not manufactured/sold by any other firm, which could be used in lieu.

Note- Delete (a) or (c) whichever is not necessary.

Continue....

- As per Railway Board letter No. 76/RS(G)/779/55/Pt. dated 27.10.2015, Issue Advertised Tender for PAC items once in two years where estimated value of purchase is less than open tender limit even though PAC has been submitted with suitable eligibility criteria for developing new vendors.
- Placement of regular order will however continues to be done on the OEM/approved vendors.

Merits & Demerits of ST:

Merits:

- Low ordering cost,
- Quick decision.

Demerits:

- Eliminates competition,
- Monopoly of firms,
- Higher rate,
- Closes the door of sources development.

SOP for Single Tender:

Nature of Power	PCMM	CMM	Dy.CM M	SMM	AMM	Other officer
2.4 (A) Normal circumstances	Rs. 8 L	Rs. 8 L	Rs. 50000	Rs. 25000	Rs. 25000	DRM Rs. 5000
2.4 (B) Drugs and Surgical Items	Rs. 5 L	Rs. 5 L	Rs. 50000	Rs. 50000	Rs. 25000	NA
2.4 (C) In Emergencies	Rs. 45 L	Rs. 45 L	Nil	Nil	Nil	DRM Rs. 7,500
2.4 (D) Safety/ Passenger Necessity items below two months stock	Rs. 1 C	Rs. 1 C	Nil	Nil	Nil	
2.5 developmental items	Rs. 15 L	Rs. 8 L	Rs. 5 L	Nil	Nil	DRM Rs. 10,000

Continue....

Nature of Power	PCMM	CMM	Dy.CMM	SMM	AMM	Other officer
2.6 (A) (i) PAC “a” certified	Rs. 15 L	Rs. 8 L	Rs. 5 L	Rs. 3 L	Rs. 1 L	Division & Depot Stores Officers: same powers as HQ for NS items only.
2.6 (A)(ii) PAC “a” cert. for drugs and surgical	Rs. 15 L	Rs. 8 L	Rs. 5 L	-----	-----	
2.6 (B) (i) PAC “c” Certified	Up to their power of acceptance					All Div. and Depot Stores Officers Up to the limit of their powers of purchase.
2.6 (B) (i) PAC “c” Certified Drugs and surgical items	Rs. 50 L	Rs. 25 L	Rs. 10 L	-----	-----	Power of PAC is upto Rs.25 Lakhs certified by PCMD. Above Rs.25 Lakhs, it has to be countersigned by AGM.

Limited/Bulletin Tender(सीमित/बुलेटिन निविदा):

- If tender enquiry is issued to limited number of registered/approved suppliers. This is issued to Registered/approved/last successful/likely suppliers.
- This is issued in case of purchase value up to Rs. 50 Lakh.
- In case of including of un-registered sources; reason must be explained and U/R aspect approval should be taken from one higher authority subject to minimum JAG level.
- Offer should be critically examined and compared with LARs of open tenders.
- Weekly stores bulletin is also a form of Limited tender. It is issued to only subscribed Registered suppliers only.
- Bulletin published with details such as description of items, quantity, place of delivery, terms and conditions. Now is not in working.

LT is invited in following conditions:

- Incase of procurement of **safety items**.
- Incase of procurement in **emergency**.
- Incase of procurement of items whose approved list of vendor is issued by **centralized agency i.e RDSO, PU, CORE**.

Merits & Demerits of Limited tender

Merits:

- Quick decision,
- Tested and reliable sources,
- Failure of chances is less,
- Timely supply,
- Less defective,

Demerits:

- Suspicion of cartel formation,
- Closes the door for development of new sources,
- Chances of less competition and high rate,

SOP(Sr. No. 2.2) for Limited Tender

Nature of Power	PCMM	CMM	Dy.CM M	SMM	AMM	Other officer
(A) In normal Course for Non GeM items	Rs. 50 L	Rs. 50L	Rs. 50 L	Rs. 10 L	Rs. 5L	Field Stores Officers: At par with HQ Officer Nil
(B) In emergencies including item available in GeM Portal.	Rs. 10 C	Rs. 5 C	Rs. 1.5 C	Nil	Nil	purchase should be limited to the quantity required to tide over the emergencies
	AGM approval for value of tenders above Rs.10 C and Up to Rs.20 C.					
(C) (i)For Safety/ Passenger Necessity Items	Rs. 10 C	Rs. 5 C	Rs. 1.5 C	Rs. 10 L	Rs. 5 L	Field Stores Officers: As per HQ Officer for NS items. For stock items up to the power of purchase.
	AGM Approval for value of tenders above Rs.10 C and Up to Rs.20 C.					
(C)(ii) For items approved list is issued by centralized agency/RDSO/ PU/CORE	Rs. 10 C	Rs. 5 C	Rs. 1.5 C	Rs. 10 L	Rs. 5 L	
	AGM Approval for value of tenders above Rs.10 C and Up to Rs.20 C.					

Advertised/Open Tender:

- This type of tender is issued for normally purchasing **value above Rs. 50 Lakh** or consider advantageous.
- In this tender any supplier can buy the tender documents and quote subject to fulfillment of tender terms and conditions.
- Wide publicity is given by publishing the tender notice in leading News paper and Indian trade Journal. Tender notices are also published through internet.
- **PCMM has full power** & other officer can float AT up to their power of acceptance.
- As per Railway Board letter 2014/RS(G)/779/12 dated 03.12.2014 tender opening time is minimum 21 days from the date of advertised in the print media.

Merits & Demerits of Open tender:

Merits:

- No favourism (everyone can apply for the tender).
- High competition in pricing.
- New firms can enter into the market.

Demerits:

- It takes a whole lot of time to complete the procurement action.
- Unknown firms can enter into the market.
- Inexperienced firms can enter into the market.

Global tenders:

- Tender invited from all over the world for import from foreign countries.
- These are given global publicity i.e. apart from publishing the tender in Indian trade journal or leading Indian Newspaper, the copies are also sent to foreign missions in India and Indian Embassies abroad for global publicity.
- PCMM: has full power upto his power of acceptance (upto Rs. 200 Carore) without finance concurrence and without essentiality of import.
- Tender beyond power of acceptance of PCMM: PCMM is competent to issue Global Tender only with essentiality of import to be certified by Principal head of the user department and concurred by the associate finance.
- These power are delegated personally to PCMM .
- These power are not to be delegated further below.

- **Currency of bidding:** Price in the quotation should be in the currency of the bidder or in US dollar or in any currency widely used in international trade. Except for expenditure incurred in India which should be stated in Indian Rupees.
- **Currency of payment:** Contractor will be paid in the currency in which the price is stated in the successful tender.
- The equivalent amount will be calculated on the basis of rates of exchange in prevalent on the date of payment.

Invitation of Tender:

- After obtaining approval of competent authority regarding mode of tender, Eligibility criteria and other/special terms and conditions.

It has to be ensured that:

1. Tender terms and conditions are properly drafted.
2. Railway Tenders are governed by IRS terms and Conditions.
3. Special care has to be exercised in drafting “Instruction to Tenderer” and “Special/other Terms and Conditions applicable to Tender”.
4. Drawing and specification should be available before issue of tender.
5. It is not allowed the copy of Drawing/specification of a particular manufacturer as it eliminates competition.
6. Sufficient time should be given for submission of tender.
7. In case of limited tender it may be ensured that all the firms, to whom the tender enquiry was mailed, have received it.

Submission of tender:

- Tenderer is required to submit their offer before tender closing time.
- If EMD, sample is called, tenderer should submit with their offer.
- Delivery period should be carefully quoted.
- Price should be quoted in words and figures.
- Taxes should be clearly mentioned to avoid any vagueness.
- Tenderer should avoid to offering unconditional discount, unusual terms and conditions.
- Tenderer should attach all the documents required to be submitted along with the offer.

Opening of tender:

- The tender closing time and tender opening time should be as close as possible to reduce the possibility of delayed tender in case of manual tender.
- As prescribed time tender to be opened.
- All the offers received are noted in the register in tender opening cell.
- All the financial terms and other clauses are encircled with Red ink and jointly signed by stores and finance representatives in offline tender.
- The offers are arranged in ascending order and marked as 1/4, 2/4, $\frac{3}{4}$, 4/4.
- In case of AT all the offers are read out and firms representative are allowed to note down the price.
- In case of online tender (through ireps.gov.in) is opened by two stores representative only. Automatic tabulation statement is tabulated.
- After opening of tender file is handed over to competent authority as per SOP.

Stages in tendering:

Stage I Pre- Tender Stage

- Assessment
- Purchase Proposal
- Tender Document Preparation

Stage II Tendering Stage

- Tender Publication
- Tender opening

Stage III Post- Tender Stage

- offer Evaluation
- Negotiation (if required)
- Contract Award

Stage IV Post- Contract Stage

- Contract management
- Performance Monitoring and Evaluation

Estimate sheet
Generation

Quantity
Assessments

Purchase
Proposal
Preparation

Tender Opening

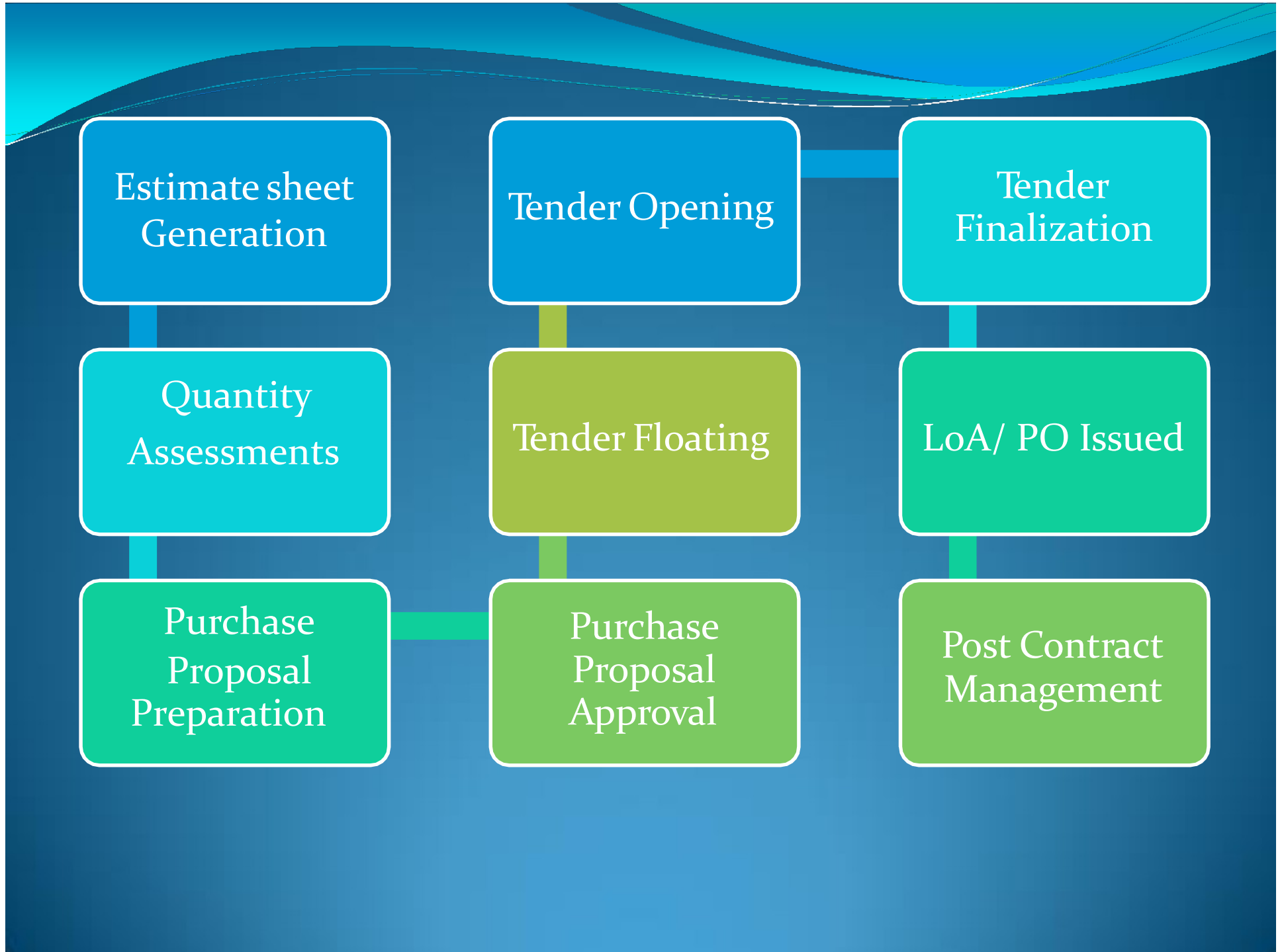
Tender Floating

Purchase
Proposal
Approval

Tender
Finalization

LoA/ PO Issued

Post Contract
Management



Types of Contract

- In Railways, we enter into:

Supply Contracts

Works Contracts

Service Contracts
(Earning/ Expenditure)

Types of Supply Contracts

Rate Contracts: Quantity/consignee not fixed.

Running Contracts: Quantity, rate & consignee fixed.

Fixed Quantity/Delivery Contracts.

Question

Q1. The term FOR stands for:

1. Free on Road
2. Free on Rail
3. Free on River
4. Freight for Rail

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1. Free on Road
2. Free on Rail
3. Free on River
4. Freight for Rail

Question

Q2. As per Railway Board letter 2014/RS(G)/779/12 dated 03.12.2014 tender opening time is minimum.....days in case of advertised tender from the date of advertised in the print media :

1. 14 days
2. 21 days
3. 30 days
4. 60 days

Question

Q2. As per Railway Board letter 2014/RS(G)/779/12 dated 03.12.2014 tender opening time is minimum.....days in case of advertised tender from the date of advertised in the print media :

1. 14 days
2. 21 days
3. 30 days
4. 60 days

Question

Q3. in case of local purchase, The collection of single quotation may be adopted for articles upto value of.....

1. Rs. 20,000.00
2. Rs. 25,000.00
3. Rs. 50,000.00
4. None of the above.

Question

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1. Rs. 20,000.00
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3. Rs. 50,000.00
4. None of the above.

Question

Q4. CMM has power to float Global Tender without finance concurrence and without essentiality of import:

1. Rs. 10 Carore
2. Rs. 100 Carore
3. Rs. 200 Carore
4. None of the above

Question

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1. Rs. 10 Carore
2. Rs. 100 Carore
3. Rs. 200 Carore
4. None of the above

Question

Q5. OEM stands for:

1. Ordered Equipment Manufacture
2. Original Equipment Manufacture
3. Original Equipment Manufacturer
4. Original Engineering Manufacturer

Question

Q5. OEM stands for:

1. Ordered Equipment Manufacture
2. Original Equipment Manufacture
3. Original Equipment Manufacturer
4. Original Engineering Manufacturer

Question

Q6. Which is the correct statement in case of a Rate Contract:

1. Quantity, rate and consignee are stipulated
2. Only rate is stipulated
3. Quantity and rate are stipulated
4. Quantity, rate and delivery period are stipulated

Question

Q6. Which is the correct statement in case of a Rate Contract:

1. Quantity, rate and consignee are stipulated
2. Only rate is stipulated
3. Quantity and rate are stipulated
4. Quantity, rate and delivery period are stipulated

Question

Q7. For which of the following items, indent is placed on Railway Board ?

- A. Steel Items
- B. Signalling Cable
- C. SMPS based IPS
- D. Data Loggers

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Thank