

**FOUNDATION FOR INNOVATION AND TECHNOLOGY TRANSFER
(FITT)**

UPDATED STORES AND PURCHASE PROCEDURE

1. Preamble

This document is an amendment of the purchase procedure of FITT approved by the FITT Governing Council in the meeting dated 18th October 1993. The document outlines the procedures to be adopted henceforth for the purchase of various kinds of equipment and stores from FITT's funds and funds of Sponsored/consultancy projects being administered by FITT. These procedures should be interpreted as the broad guidelines for the procurement of the needed Equipment/store such that the procurements are done in time and without procedural wrangles, which permits laboratory, Research, and administrative work to be pursued with greater vigor.

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

2. Classification of stores

Non-Consumables Stores (NC)		Consumable Stores (CS)
Permanent Assets (PA)	Limited Time Assets (LTA)	
<p>Stores satisfying anyone of the Following conditions shall be classified as Permanent Assets:</p> <p>i) Stores which are intended to be used over prolonged periods (more than 5 years) before becoming unusable or obsolete.</p> <p>ii) Office furniture and Fixtures.</p>	<p>Stores satisfying anyone of the following conditions shall be classified as Limited Time Assets:</p> <p>i) Store costing any amount and having useful life of less than five years, which rapidly lose their value and relevance with the lapse of time or have very little or Negligible disposal value.</p> <p>ii) Stores which can be upgraded either by replacing components/ part or which can be rendered obsolete by the release of new versions or editions.</p> <p>iii) Stores which can be used over any period of time but</p>	<p>Stores satisfying anyone of the following conditions shall be classified as Consumable Stores:</p> <p>i) Stores which exhaust rapidly with the lapse of time (normally within one year).</p> <p>ii) Stores which are rapidly rendered unusable due to normal wear and Tear.</p> <p>iii) Stores which have negligible Disposal value, spares of equipment etc. under PA or LTA category. Examples: Chemicals, stationary items, printer toner/ cartridges, electronic storage media like Pen drives, etc., computer parts requiring replacement such as the mother</p>

	costing · less than Rs. 75,000/- excluding Office furniture and fixtures. Examples of such items: PCs, Laptops, Tablets, Cameras, Mobiles, software, fax, projectors, LFT monitors etc.	board, RAM, hard disc etc., batteries of any kind (like UPS, Laptops, mobiles, Portable instruments etc.), electronic components like-resistors, capacitors, connectors, electrical wires, plugs, switches, tool bits and hand tools etc.
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Note: in case of any ambiguity with respect to classification of stores, the same may be resolved on case-to-case basis with MD/COO as per financial powers.

3. Summary of Purchase Rules

Purchase Limit (INR)	Process	Initiation by		Competent Financial Authority (CFA)
		R&D projects	FITT projects	
0-1 Lakh	Without quotation: Purchase can be made directly through vendors/suppliers.	PI	Admin Officer	COO
1-2.5 Lakh	With quotation: Quotation(s) may be invited from the vendor(s) and reviewed by the Purchase Finalization Committee (PFC). Special approval is to be taken from CFA in case of purchase without PFC.	PI	Admin Officer	COO
2.5-10 Lakh	Tender: The tender will be floated on the FITT website for 7 days, reviewed and finalized by a PFC. In case of a single tender, special approval is to be taken from CFA before placing the Purchase Order.	PI	Admin Officer	COO
10-25 Lakh	Tender: Tender will be floated on the FITT website for 7-14 days, reviewed and finalized by a PFC. In the case of a single tender, special approval is to be taken from CFA.	PI	Admin Officer	COO

Above 25 Lakh	<p>Tender: Tender will be floated on the FITT website for 15- 21 days, reviewed and finalized by a PFC. In the case of a single tender, approval for opening the tender OR re-publishing the tender. In the case of a single tender, the price may be negotiated with the vendor.</p>	PI	Admin Officer	Managing Director
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The Initiation of the purchase should be on the attached format (Refer Appendix 1)

In all scenarios, in the case of a single tender, the price may be negotiated with the vendor.

The composition of the Purchase Finalization Committee (PFC) to be as follows:

Minor Purchase	Medium Purchase		Major Purchase
Purchases above 1 lakh up to 2.5 lakh	Purchases above 2.5 lakh and up to 10 lakh	Purchases above 10 lakh and up to 25 lakh	Purchases above 25 lakh
	<i>PFC comprising three members constituted by PI/FITT admin</i>	<i>PFC comprising four members constituted by PI/FITT admin</i>	<i>PFC comprising five members constituted by PI/FITT admin</i>
1. Chairperson:	1. Chairperson:	1. Chairperson:	1. Chairperson: (Nominated by CFA)
2. Buyer/PI:	2. Buyer/PI:	2. Buyer/PI:	2. Buyer:
3. Expert-1:	3. Expert- 1	3. Expert- 1	3. Expert- 1
		4. HoD/COO Nominee	4. Expert- 2
			5. FITT Nominee

Note:

- i. PFC to be approved by Competent Financial Authority*
- ii. PI/buyer should not be the Chairperson of PFC to avoid conflict of interest.*
- iii. In case of proprietary items, single tender may be considered on approval from CFA*
- iv. PFC validity: Upto Rs. 25 Lakh - Four Months; Above Rs. 25 Lakh - Six Months*

4. Salient features of the Purchase Process

- **Repeat Orders:** The indenter after being fully satisfied, that the items already procured by any Department/Centre/School/Office after following the complete purchase procedure, meet(s) the requirement and there is no technical/Scientific change(s) in the item, may purchase the same within ninety days from the date of originally processed order after getting the approval of the CFA.
- **On-line purchases:** In case of purchases worth up to one Lakh, PI/FITT admin officers are allowed to procure directly from the online portal of the manufacturer (OEM) website or Shopping portal which covers standard comprehensive warranty using their Personal debit or credit card (against reimbursement). In the case of imports, online purchase can be made only after involving the FITT Office.

- **Upgradation and Repairs:** In case of upgradation of assets, the old asset which has been upgraded will be treated as written-off i.e., its value will be written-off from the records. The upgraded new asset will be entered in the records; the sum of the cost of old asset and the additional cost paid, will be considered as cost of the upgraded asset. For any repairs of imported assets, in case the items are to be sent back to the OEM in foreign country, re-import process should be initiated.
- **Tender Process:** Any purchase beyond Rs. 2.5 lakhs should be done through a tender which is published in the open domain on FITT Website.
- **Purchase of Proprietary items:** Can be purchased on single tender.
- **Transfer of stores:** Transfer of stores within the FITT from one Official to another can be done with the explicit approval of the MD. Transfer of stores from the Institute to another Institute/ College/ University/Industry can be done only with the explicit written approval of the Director and concurrence of the sponsor agency.

5. Accounting of Store

All Items procured by FITT for Sponsored/consultancy projects shall be handed over to Institute Stores *as a Gift and thereafter Institute Stores shall progress as per their norms.*

All Items procured for FITT activities/programs shall be taken on charge by FITT.

6. Payment to Vendors

Payment should be made to the vendors through RTGS/electronic means only with proper GST. All new suppliers should register with FITT. Wherever advanced payment has been made by the faculty member/FITT admin through any of the on-line mode, reimbursement should be made only after accounting for GST (except for consumable items). Bills should be processed immediately, payment to be made to the party within 30 days of supply.

7. Write-off/ Disposal of Stores

The same will be done as per the Financial norms / Institute norms.

8. **Deviations:** Any deviation from the above processes would require prior sanction and approval by the Chairman with reasons for the deviation clearly mentioned stating.
9. **General Do's and Don'ts in case of purchase:**

Do's:

- The specifications in the 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 Dept./Centers/Office without including non-essential features, which may-result in unwarranted expenditure.
- The procuring authority should be satisfied that the equipment's items selected adequately meet(s) the requirement in all respects. The procuring authority should satisfy itself that the price of the selected offer is reasonable and consistent with the qualify required.

- Buyer should ensure availability of proper space / infrastructure for installation of the equipment before initiating the purchase process.
- Negotiations with the LI vendor should preferably be done when there is a budget constraint or where less than three bidders have participated in the tender process.
- PFC must complete the purchase process within the stipulated period; Extension of validity of PFC may be considered only in exceptional cases.

Don'ts:

- Normally advance payments are not allowed. Only in specific cases, advanced payment may be made with approval of Competent Financial Authority.
- Purchases should not be split to avoid Obtaining approval of appropriate Competent Financial Authority.
- Normally Buy-backs are not allowed; only in the case of batteries or in some specific cases where reasonable benefits have been extended to the purchase, it is allowed.
- Newspaper advertisement is not compulsory.

10. Procedure for Floating Single Tender Enquiry/Single Source Procurement

- a) Approved Technical Committee will ascertain the need of Single Tender Enquiry (STE) and recommend in prescribed format. (Attached as per Appendix 2)
 - b) Supporting documents for claiming necessity of 'STE/Single Source Procurement 'should be enclosed.
 - c) For approval, the format must be put forward to competent authority.
 - d) Procedural flow is as follows:
 - i) Technical Committee will ascertain the need of STE
 - ii) Filling up of format by the indenter, signed by committee and approved by competent authority.
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FOUNDATION FOR INNOVATION AND TECHNOLOGY TRANSFER (FITT)

PURCHASE PROCEDURE

1. Managing Director, is the authority to approve purchases for the Foundation subject to the regulations, Bye-laws and general or specific directions of the Council. Following is procedure for making purchases:-

User will fill up the indent for every type of purchase.

Indent will always be signed by the Indentor and approved by the competent authority. Competent Authority will be designated by the Managing Director.

Any technical literature received from suppliers regarding materials/components should be given along with the indent.

2. FOREIGN

All indents for foreign purchase will be processed by a committee appointed by the Managing Director.

For import of components/equipments involving an amount more than US\$ 2500/- indents should be approved by the Managing Director.

For preparation and submission of the indent for foreign purchase, the same procedure as applicable to the indent for indigenous purchase should be followed.

3. ENQUIRY, TENDERING PROCEDURES & PURCHASE

3.1 PETTY PURCHASE:

Manager (Admn.)/Projects in-charge may make purchase of petty items each costing less than Rs. 1000 without calling quotations. However it should be ensured that material received is of good quality and price reasonable/ competitive.

3.2 PURCHASE UPTO RS. 10,000/-

Purchases upto Rs. 10,000/- may be made with the approval of Managing Director after ensuring the reasonability of prices, quality of goods, promptness of delivery etc. Project Directors/Chief Consultants/Consultants may also authorise such purchases within the Budget of the project.

In cases of emergency requirements, the user can purchase the materials costing upto Rs. 5,000/- from the market directly.

3.3 PURCHASES ABOVE RS. 10,000 AND UPTO RS. 25,000

Manager (Admn.)/Project Director/Consultant will do market survey and scrutiny of quotations and place order for the same on the basis of prices, promptness of delivery, past performance of supplier etc. For subsequent purchases repeat orders can be placed. For these purchaser will obtain atleast three quotations.

In cases, where it is difficult to follow this procedure, approval of the Managing Director may be obtained and reason for deviation may be recorded.

3.4 PURCHASES COSTING BEYOND RS. 25,000/- AND UPTO RS. 2,00,000/-.

In respect to these purchases the procedure of obtaining quotations/enquiry from at least three suppliers/manufacturers of the materials should be followed.

3.5 PURCHASES ABOVE RS. 2 LAKH AND UPTO RS. 15 LAKH

Limited sealed tenders will be invited from reputed suppliers and manufacturers. The tender committee shall comprise of the following:

- a) Indenter
- b) Manager (Administration/Finance)
- c) One Member nominated by Managing Director

3.6 PURCHASES ABOVE RS. 15 LAKHS

Open tenders will be invited by giving advertisement in newspapers.

The constitution of the tender committee will ^{be} as below:—

- a) Designated responsible member of indenter's department nominated by Managing Director
- b) Manager (Admn./Finance)
- c) One Member nominated by Managing Director

This procedure shall not be applied in case of proprietary items.

3.6 DEVIATIONS

For the cases of deviations from normal procedure, prior approval of the Chairman shall be sought bringing about clearly the reasons necessitating such deviations.

4. RECEIPTS OF MATERIALS

All materials will be received and after acceptance entered in stock register. In case of materials/equipments/machinery etc. purchased for a project, the Project Incharge will be responsible for maintaining a separate inventory for items purchased from the project budget. On completion of the project the inventory will be physically verified by the Project Incharge and submitted to the Managing Director for orders regarding disposal of the items on inventory.

FOUNDATION FOR INNOVATION AND TECHNOLOGY TRANSFER,**IIT DELHI****Constitution of Purchase Finalization Committee (PFC)**

<table border="1" style="width: 100%;"> <tr> <td style="width: 50%;">Project No./Other Ref No.</td> <td style="width: 50%;"></td> </tr> <tr> <td>Dated:</td> <td></td> </tr> </table> <p>Budget Head: _____ (Equipment, Contingency)</p>	Project No./Other Ref No.		Dated:		<p>Old Purchase references: Earlier PFC No. <input type="text"/> Dated: <input type="text"/></p> <p><u>Justification for refilling of PFC form (Please tick anyone):</u></p> <p>1. Increase in fund <input type="checkbox"/> 2. Extension of Date <input type="checkbox"/> 3. Multiple SO <input type="checkbox"/> 4. Budget Head Change <input type="checkbox"/></p>
Project No./Other Ref No.					
Dated:					

1. Name of Dept./Centre/Section/Unit _____

2. Nature of Purchase Consumable Non-Consumable
(Please tick ✓ at the appropriate place) 3. Is the purchase to be pre-approved? YES NO

4. Details of the item to be procured: _____

5. Item Group: _____

6. Estimated Cost INR _____ (In words) _____

7. Certified that the space is ready for installation of the equipment in the Dept./Centre/Unit :- Yes/No
Dept./Centre/Section/Unit _____ Signature _____

Name of the Purchaser _____ E-mail ID _____

8. Details of the Committee (Please use the appropriate column)

Minor Purchase	Medium Purchase		Major Purchase
Purchases above 1 lakh up to 2.5 lakh	(Purchases above 2.5 lakh and up to 10 lakh) PFC comprising three members constituted by PI/FITT admin	(Purchases above 10 lakh and up to 25 lakh) PFC comprising Four members constituted by PI/FITT admin	(Purchases above 25 lakh) PFC comprising Five members constituted by PI/FITT admin
1. Chairperson:	1. Chairperson:	1. Chairperson:	1. Chairperson: (Nominated by the CFA)
2. Buyer/PI:	2. Buyer/PI:	2. Buyer/PI:	2. Buyer/PI:
3. Expert-1:	3. Expert- 1	3. Expert- 1	3. Expert- 1
		4. HoD/COO Nominee	4. Expert- 2
			5. FITT Nominee
OPTIONAL	PFC to be approved by COO, FITT	PFC to be approved by COO, FITT	PFC to be approved by Managing Director, FITT

NB: (a) In case less than 3 quotations are received then please do re-tendering/process approval for proprietary item or single tender.

(b) Technical Bids will be opened and examined by the Technical Evaluation Committee (TEC).

(c) PFC validity: up to Rs.25 Lac: Four Months, Above Rs.25 Lac: Six Months.

Approved by FITT

Form for seeking approval for purchase through Single Tender Inquiry (STI)

(For purchases above 2.5 Lakhs)

1. Name of the Product: _____

2. Category of Product: (Tick all applicable)

- Hardware product (with/without embedded software) []
- Software Product []
- A key attachment/add-on []
- The base hardware module or base software module []
- Specialized Service []
- Any other category – Please specify exact nature _____

3. Specification (s) that makes the product proprietary : _____

4. Name and address of the Manufacturer : _____

5. Reason for arriving to this conclusion that it is in the knowledge of the PC that only the particular firm is the providing/manufacturing the required product:

6. Has this product along with this specification been recommended by the Sponsored Agency along with associated vendor? Yes [] / No [].

7. The purchase committee certified the following (a) The above specifications are critical for the purposes of the specific project or laboratory (b) Recent (Last one year) purchase orders by other public Institution are attached (alternatively: summary report of successful financial negotiation with the vendor certifying that the quoted price is competitive for the product is attached). -----

(Name and Signature of PFC member(s))

Chairman Member1 Member 2 Member 3 Member 4 Member 5

Approval of MD FITT/COO (As per defined Financial Powers)
(Upto 10 Lakhs COO FITT, For Purchases above 10 Lakhs MD FITT)