

## STORES DEPARTMENT

### TENDERING

#### Do's

- Dispose of the files within specified time limits;
- Records the reasons if ignoring any offer;
- Take approval of Competent Authority at every stage of procurement;
- Go through the conditions of tender documents including eligibility criteria and deal the tender accordingly;
- Do listen patiently to views of other members of the committee and consider them positively;
- Re-tender the case, if lowest acceptance tenderer withdraws its offer;
- Give patient hearing to vendors coming with any problem and opportunity to explore;
- Call for vendors' views on complex tenders;
- Get budgetary quote from at least 3 sources for estimating rates for new items;
- Incorporate the delivery schedule in tender document as per requirement;
- Ensure that option clause to be operated has been correctly incorporated in tender document;
- Ensure that Inspection Clause and Inspecting authority have been specified correctly;
- Ensure that action to be taken in case of rejected tender has been properly incorporated;
- Make regular reviews of high value items preferably once a month;
- Have a system for monitoring procurement on a regular basis;

- Take your own time in drafting tender documents;
- Utilize your power to tackle the difficult situations, instead of raising hands;
- Maintain a list of registered/approved sources for limited tender;
- Make a system that all money documents like earnest money and security deposit, drafts/bank guarantee are filed properly and watched for their expiry;
- Go for entering into 'Rate Contract' for items in regular demands, available off-shelf and used by large number of consumers;
- Be careful in 'Conflict of Interest' tender where different firms have common partners/addresses/contact numbers;
- Include list of documents for claiming payment, especially in import contracts;
- Specify the delivery date in severable contract where instalment deliveries are needed;
- Comment on unusual conditions quoted by the tenderers;
- Comment on deviation in technical specification quoted by the tenderer;
- Give full detail of terms & conditions while recommending/accepting any offer;
- Ensure all contracts are un-ambiguous, clear and free from flaws;
- Ensure for any hand over any property/material of organisation to the contractor, proper safeguards in the form of Bank Guarantee has been specified in contract;
- Ensure that publication of tender is done in time, not delayed;
- Keep copy of tender notice (with date and publishing) in tender file;
- Ensure item description and specification are complete at the time of tendering;

- Ensure while issuing contract that tenderer has accepted all terms and conditions of tender document and has not put any of its own condition;
- Ensure all unacceptable conditions have been withdrawn by tenderer, before any decision is taken to accept its offer;
- Ensure that any financial condition quoted by tenderer has been properly loaded while evaluating the offer;
- Ensure following while preparing technical specification for M&P item:
  - Meet the essential needs;
  - There are no specific and non-essential features;
  - It is objective, functional, generic & measureable;
  - Set out required technical, qualitative and performance characteristics, material composition, physical dimensional and performance parameters, if any, manufacturing process if applicable, test schedule, preservation and packing etc;
  - Normally based on standards published by BIS or in the special case ISO;
- While finalising the tender on PAC, ensure that the authorization submitted is current and genuine.
- Maintain utmost secrecy in procurement process;
- Enhance vendor base wherever required;
- Issue press notice wherever required to enhance vendor base;
- Have a system of intimating vendors wherever their offers are ignored, specifying reasons - this will ensure transparency and building up of vendors' confidence;
- Give adequate time for opening of tender;
- Regularly review list of approved/registered vendors;

- Be alert in cartel formation cases and doesn't take them lightly;
- As a member of committee, go through all the important documents, instead of believing that convenor has seen ;

### Don'ts

- Issue acceptance/contracts after expiry of validity of offers;
- Extend delivery period without imposing condition for non-admissibility of increase in Excise Duty, Sales tax or price of Price Variation Clause;
- Modify/relax any specification in Two Bid System at 1<sup>st</sup> Stage to enhance vendor base & completion in 2<sup>nd</sup> stage;
- Increase quantity while deciding a tender beyond specified limits;
- Sanction any expenditure for self benefit;
- Sanction expenditure more than the occasion demand;
- Be part of decision making in case of your close relation having any interest in a firm;
- Return the file to lower authority for reviewing recommendations. If you don't agree, give your decision recording reasons for differing from lower authority. However, exception cases you may return asking for specific information/review;
- Call for negotiation on flimsy ground, negotiation to be done in exceptional cases;
- Pass over the offer on flimsy ground. In such cases, put yourself in the position of the affected party and judge whether your decision is appropriate;
- Accept costly gifts from vendors;
- Force your decision on other committee members;
- Sign the Proprietary Certificate in routine;

- Frame Eligibility Criteria to be very stringent resulting in poor response and retendering;
- Take any decision in hurry, especially when an emergency is expressed by consumers;
- Depend on juniors for information provided by tenderer in documents. Go through the documents by yourself;
- Call for tender as per sample, such cases should be exceptional;
- Accept any material not as per the description / specification of the contract. Any deviation must be accepted with the approval of competent authority with reasonable reduction in price;
- Reduce requirement to bring it within the power of particular authority. Splitting of quantity in leading to frequent tendering is strongly prohibited;
- Retender the case on flimsy ground, it may lead to complaints and also increase in price;
- Relax any condition at post contract stage;
- Believe in verbal commitments, if required issue a letter with regard to verbal assurance, asking to confirm the same;
- Alter payment terms or inspection clause at post contract stage;
- Waive off Security Money specified in tender document;
- Accept offer with vague Excise Duty Clause eg., Excise Duty will be claimed at enhanced rate if turn over increases. In such case, load the offer with maximum excise duty applicable;
- Accept condition of L/C in import contracts unfavourably;
- Accept lowest price blindly, judge reasonableness of rate as per the market. Just lower than last purchase price, may be unreasonable in some cases;

## 4. ALL INDENTING DEPARTMENTS

### (a) INDENTING STORES:

- Estimate the indent rate realistically on the basis of last purchase rate loaded with escalation or prevailing market rate. Furnish the basis of this rate such as the last purchase order no., date, quantity and source.
- Furnish a copy of budgetary quotation based on which the indent rate is estimated, to stores dept. along with the indent.
- While approving quantity on indents, ensure that the quantity is fully justified in relation to the asset(s) for which the procurement is to be made
- **Do not fail to attest corrections in quantity, last purchase and estimate rates and description of an indent.**
- Ensure that unambiguous and clear description of item is furnished in the indent giving key features/parameters of item
- If specific make or brand is indented, ensure that suitable PAC is furnished along with the indent.
- Do not issue a Proprietary article certificate for any item, unless you are fully and personally satisfied about it. The issue of a proprietary article certificate attracts personal responsibility.

## **(b) INSPECTION BY CONSIGNEE**

- Ensure that sample is drawn as per the laid down norms
- Ensure that inspection is carried out by the Indenter strictly as per the description/part number/drawing/specification/special conditions/approved sample and performance parameters given in the purchase order.
- Ensure that No Conditional Inspection request is furnished.
- Ensure that Inspection request is clear, unambiguous and strictly within the framework of contract.

## **SCRAP DISPOSAL**

### **(a) RETURNING OF SCRAP TO STORES:**

#### **Do's**

- Ensure competent authority's approval is obtained for condemning and sending the material to stores depots.
- Ensure proper assessment of quantity to avoid excess/shortage at the time of final delivery.
- Insist on early acceptance of DS-8 by Depot Officers.
- Check for quantities dispatched and acknowledged by Depot officers and any abnormal shortages should be probed.

- Ensure that to the extent possible scrap is returned to Stores in segregated condition.
- Scrap (non-ferrous) should be accounted by actual weighment/measurement.

### Don'ts

- Do not allow alterations/over-writings/scoring on DS-8s.

### **(b) ACCOUNTAL OF RECEIPT OF SCRAP:**

#### Do's

- Materials received without documents to be accounted through stock-sheet within a reasonable time.
- Ensure all DS-8s are entered promptly in DS-8 register and RO Nos. are assigned within reasonable time.
- Check the material for quality and quantity received along with DS-8s.
- Try to indicate the location of dumping of received material in the receipt register.
- Ensure proper inventory of scrap is taken whenever proposed for disposal on "as is where is basis".
- Ensure that any material under custody is reflected in the material ledger.
- Ensure that entries in the ledger are signed by concerned person.

## Don'ts

- Do not allow fresh arising to get mixed up with lots already surveyed and ready for sale.

## **(c) LOT FORMATION AND INSPECTION**

### Do's

- Lot once formed should not be disturbed.
- Ensure that lots of distinct nature are made as separate lot to avoid picking and choosing at the time of delivery.
- Ensure that lot inspection is properly done and lot No. is painted on the lot before inclusion in the auction.
- Ensure filling up of all the columns in lot inspection certificate without leaving any blanks.
- Ensure that lots are formed in such a way that similar material is not lying adjacent.
- It is to be ensured that extra material, if any, lying near the lot should be removed before lot formation/inspection.
- While forming the lot, assessment of quantity should be done properly. Where actual measurement is not practical, assessment can be done on sample - basis, number basis etc.
- Lot should be formed category-wise.
- Ensure released P.Way materials are colour coded as per instructions.

## Don'ts

- No other material should be allowed to be dumped/kept in the nearby area of already formed lots.
- Do not form too big or too small lots, which hamper competition.
- Do not allow the scrap merchants or other unauthorized persons to enter the scrap yard except strictly on business and under proper authorization.
- Un-surveyed material should not be dumped near by the formed lot

## **(d) RESERVE PRICE:**

### Do's

- Ensure that reserve price is correctly fixed for each lot without fail before auction.
- Ensure that reserve price is well guarded.
- Ensure that while fixing reserve price on past rates and condition of the material being sold is also kept in mind.
- Ensure that reserve price for items like locomotives, etc. are only fixed by HQrs.
- Ensure that whenever lots are accepted below reserve price under the powers of COS, the same are put up for competent authority's approval immediately and reasons are recorded for selling below reserve-price.
- Write reserve price both in figures and words in ink and avoid alterations.
- Ensure that the rates are competitive before going for acceptance.

## Don'ts

- Do not accept bids below reserve price unless reasons expedient are recorded.

## **(e) CONDUCTING AUCTION:**

### Do's

- Ensure that auction catalogues are circulated to all prospective purchasers well in advance.
- Ensure that entry fee is collected before allowing bidders into auction hall.
- Ensure bid range register is properly maintained at the time of auction.
- Ensure that items are sold in sequential order and no sudden changes in the normal sequence of items coming in auction be done.
- Ensure the presence of Accounts representative at the time of auction.
- Ensure proper reasons are recorded whenever the lot is not sold in the auction.
- Ensure that the columns in the bid register are immediately posted with relevant details as and when lot is sold.
- Ensure that all modifications to auction terms are announced before the auction.
- Except where specifically exempted, ensure that the Survey Committee surveys all lots put up for auction.

- Ensure that purchasers' signatures are taken on the bid sheet on the fall of the hammer.

### Don'ts

- Do not allow unauthorized persons into auction hall.

### **(f) DELIVERY OF SCRAP TO PURCHASER:**

#### Do's

- Ensure that the Delivery Order is properly released in all respects i.e. quantity, payment of balance sale value, free delivery period, etc.
- Ensure that the interest and ground rent are paid wherever necessary before affecting the delivery.
- Ensure delivery is affected in presence of all witnessing officials.
- Ensure all weighments and deliveries are correctly recorded in the relevant registers.
- Ensure that material being delivered is exactly the same as sold in the auction.
- Ensure that no other material other than sold is delivered to the purchaser.
- While giving instalment delivery, ensure that the quantity being delivered is in proportion to the amount paid and that no extra material is delivered.
- Progress of the delivery should be entered immediately on the reverse of delivery order.

- Ensure that all the excluded items are collected from the purchaser, before giving delivery of condemned rolling stock.
- Bring to the notice of Depot Officer if the contents of lot to be delivered are found to be significantly different from the description shown in the delivery order.
- Ensure that delivery is made in the permitted hours of working.
- Ensure that any leftover material after completion of delivery is reflected in the ledger.
- Ensure that delivery of non-ferrous material is given by weighment.

### Don'ts

- Do not allow delivery of different lots by same batch of witnessing officials simultaneously at the same time.
- Do not club different lots having different materials while taking delivery on the pretext that transportation is convenient.
- Do not allow purchasers to pick and choose while arranging delivery of the sold materials. The delivery should start from one end.
- Do not allow sold materials to get out of the depot except under proper issue notes and gate passes.
- Do not allow purchaser to disturb the nearby material while taking delivery of sold lot.

## WEIGHMENT FACILITIES:

### Do's

- Ensure that there is no zero point error on weighing machine every day before commencement of delivery by weighment.
- Ensure that the adjustment point of the weighing machine are sealed and checked daily.
- Ensure certification of weighing machines checked and certified by legal metrology department on due dates.
- Ensure that witnessing officials are accompanying the loaded trucks whenever outside weighment is allowed.

### Don'ts

- Do not allow unauthorized persons to handle the weighing machine.

## (g) SHORTAGE AND REFUND AFTER THE DELIVERIES:

### Do's

- Ensure that shortage of material at the time of delivery is genuine.
- Ensure that the excess/savings of material at the time of delivery of material is promptly taken into ledgers for on line lots.
- Ensure that lots are promptly cancelled forfeiting the EMD wherever the purchasers fail to pay the balance sale value in time.
- Ensure that large variations in the quantities are properly investigated.

## Don'ts

- Do not delay refunds in genuine cases of shortage.
- Do not adjust the shortages from other lots or from fresh receipts.

## Delivery of Scrap

### Do's

- Ensure that applicable levies i.e., GST, Interest for delayed payment & Ground Rent (if applicable) are realised before effecting delivery.
- Ensure delivery is affected in physical presence of nominating witnessing officials from Stores, Accounts & Security department.
- Ensure that Delivery Order/Sale Release Order/Sale Order is issued only after realisation of Balance Sale Value(BSV) and all the relevant aspects i.e., quantity, free delivery period etc are indicated correctly in Delivery Order/Sale Release Order/Sale Order.
- Ensure all the details of deliveries/balance deliveries are correctly recorded in the relevant registers and vouchers.
- Ensure that no material other than sold is delivered to the purchaser.
- While giving part delivery, ensure that the quantity being delivered is in proportion to the amount paid and that no extra material is delivered.
- Ensure that delivery is made in the permitted hours of working and on working days.
- If the contents of lot to be delivered is found to be different from the description shown in the Delivery Order then bring this matter to the notice

of Depot Officer before proceeding further.

### Don'ts

- Do not allow purchasers to pick and choose while arranging deliver of sold materials. The delivery should start from the one end.
- Do not allow delivery of different lots by same batch of witnessing officials simultaneously.
- Do not club different lots having different materials while affecting delivery on the pretext that transport is convenient.
- Do not allow the delivery on power of attorney unless it is checked by the concerned Depot Officers.
- Do not allow the purchasers to disturb the nearby material while taking delivery of sold lot.
- Do not allow the sold material to get out of the Depot except under proper Sale Issue Notes and Gate Passes.

## HSD OIL

### Do's

- Ensure that the quantity of HSD oil received in tank lorry is as per the invoice quantity.
- Ensure that water detection test by applying detecting paste on the Dip rod from each tank lorry compartments is carried out before proceeding for decanting.
- Dip readings of the tank lorry are to be meticulously taken and recorded before decanting of the HSD oil.
- Decanting of HSD oil must always be done to the storage mother tank/s.
- Samples from each storage tank are to be drawn at least once every month.
- Ensure that Flow Meters are in proper working order while the HSD oil is issued.
- Ensure that the Flow Meter with the totaliser is calibrated by the oil company periodically.
- Ensure appropriate write-off sanction from competent authorities for losses of HSD oil is carried out periodically.

### Don'ts

- Do not allow decanting of HSD Oil, if water is detected from tank lorry till water is flushed out completely in the presence of Oil Company representative/Lorry driver.
- Do not allow leakage of oil from pipe joints, valves and pumps etc.

- Do not allow unauthorised persons into the HSD decanting area/HSD mother tank premises.
- Never compromise on the quality of HSD oil.
- Decanting of HSD Oil should not be carried out after sunset.
- Presence of adequate fire fighting equipments at decanting area must be ensured at all time.

### Electronic Weigh Bridge

#### Do's

- Ensure schedule testing and calibration of EWBs for proper upkeep of the same as per norms.
- Ensure that no editing Option in gross weight is possible.
- Ensure that all electrical wires of EWBs are intact and not tampered.
- A case of tampering of EWBs reading by a contractor through a remote like key had been noticed recently, therefore, all officials involved in taking weighment are required to be more Vigilant.
- Safe guard measures of EWBs during holidays and silent hours in order to avoid any tampering must be adhered/ensured.

## Don'ts

- Do not fail to ensure calibration followed by stamping (by Weights & Measures Department), in case of variation in weightment as per extant guidelines.

## INDENTING OF STORES

### Do's

- Description and specification should be clear and complete.
- Double check the rates indicated as the estimated rate or last purchase rate before signing the indent. Furnish last purchase order No. & date, Quantity, rate and source etc.
- Indicate the estimate or last purchase rate in figures as well as words.
- For initial purchase/first time indent - ensure budgetary/estimate rate from authorised agent/OEM.
- While approving quantity on indents, ensure that the quantity is fully justified in relation to the procurement being made.
- One requisition should be placed for one item, unless the item is to be procured as part of set, kit or assembly.
- Ensure approval of Competent Authority for indenting restricted items as per SOPs.
- Ensure signing of indent by Competent Authority and finance vetting, wherever required.

- Any catalogues, authorization certificates, calibration certificates, etc., requirement should be clearly indicated in the indent as a special clause.
- Genuineness and number of likely suppliers should be certified by the indenting officer. Number of suppliers should be mentioned in words.

### **Don'ts**

- Do not resort to procurement by sample.
- Do not split quantities and place frequent demands.
- Do not fail to attest corrections in quantity, last purchase rates, estimated rates, description of an indent.
- Do not issue a proprietary article certificate for any item, unless you are fully and personally satisfied about it. Please note that the issue of a proprietary article certificate attracts personal responsibility.
- Do not submit non-stock indents for stock items except under special circumstances recording the reasons for the same.
- Do not indent prohibited items for local purchase.

### **RECEIPT OF MATERIAL**

#### **Do's**

- Check immediately on receipt of material and compare with Purchase Order & challan for correctness of the material in quality and quantity.
- Any shortage/discrepancy, if found should be intimated to the firm through Purchase Officer immediately.

- Check the packing conditions before taking delivery particularly for applicability of any open delivery case etc.
- If it is Door Delivery ensure that material being delivered pertains to you or not.
- Ensure Inspection and Testing of the materials as per the Purchase Order terms.
- When the supplies are to be rejected, ensure that the Rejection Advice reaches the supplier within the stipulated time.
- Post the entries first in DBR and then to the concerned ledgers after acceptance and not vice-versa.

### Don'ts

- Do not accept a supply, pre-inspected by agencies like RITES, DGS&D, RDSO etc., without checking the seal and the supporting inspection certificates.
- Do not delay in the accountal of material without any proper reason.

### Local purchase of materials at Division/Depot level

### Do's

- All the important aspects like LPR/Budgetary quotation, quantity and rate, signature of competent authority, availability of funds etc. should be ensured before processing NS indents.
- Rate reasonableness should be carefully examined before accepting the offer.
- DP extension should be granted only after receipt of request either from firm or consignee.

- Approval of competent authority should be obtained to issue tender inquiries to un-registered firms.
- In case of acceptance of offer in deviation to firm's original offer, Purchase Order should be issued only after obtaining consent from the tenderer.

### **Don'ts**

- Tendered quantity should not be decreased to bring the value within the competency of a specific accepting authority.
- DP should not be re-fixed to mere benefit of the supplier.
- Orders for items covered under rate contract should not be placed on the firm other than existing in the rate contract.