

INDIAN INSTITUTE OF TECHNOLOGY MADRAS
STORES AND PURCHASE SECTION



PURCHASE PROCEDURE
FOR PROCUREMENT OF GOODS / SERVICES
AS PER GENERAL FINANCIAL RULE 2017
(updated on 06.11.2023)

**PURCHASE PROCEDURE FOR PROCUREMENT OF GOODS / SERVICES
as per General Financial Rule 2017**

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(1) **PROCUREMENT PROCESS OF GOODS/SERVICES THROUGH GOVERNMENT E-MARKET (GEM) PORTAL**

Rule 149 of GFR states that procurement of common use goods and services by Ministries / Departments through Government e-Market (GeM) is mandatory for Goods and Services which are available on GeM. Numerous instructions have been issued by the Ministry of Finance reiterating the implementation and usage of GeM by the Ministries and Departments.

A circular in this regard has been issued (vide Circular No. SPS/GeM/2020/11 dated 01.12.2021 and IITM/SPC/2022/011 dated 20.05.2022) with an instruction to the Departments / Centres / Sections for procurement of goods and services from GeM portal as follows:

“All Departments/Centres/Sections of this Institute are hereby instructed that procurement of common use goods and services should be mandatorily done from the Government e-Marketplace (GeM). The user Departments/Centres/Sections shall first obtain user ID by sending a request to the primary user of the Institute through S&P as per format in Annexure-E, for activating the GeM account and to login into email.gov.in. After verifying the invitation link in Inbox and filling up the details, GeM ID will be activated. You may login into the GeM portal using the user ID (IITM email ID) and process the purchase with the assistance of purchase tools available in GeM i.e direct purchase, e-bidding, reverse auction etc. depending on the value of the goods/services.”

Once the order process is complete and contract shall be generated at department level upto to 5 Lakhs in GeM portal and initiate the indent process through workflow as per IITM procedure.

In the event of indenting goods/services not available in GeM, the procuring entity are required to generate a GeM Availability Report and Past Transaction Summary (GeMAR&PTS) with an unique ID on GeM portal. Further the buyers can define Custom Catalogue based Bid / BoQ based Bid, based on their needs even when the goods/service category does not exist on GeM.

The Procuring entity should follow the below guidelines for procurement of indenting goods/services

2) For the value upto INR 25,000

Purchase order to be issued at the Department* level itself for indigenous purchases. For Import and AMC, order will be issued by Admin Stores.

1. Purchase may be made without inviting Quotations or Bids.
2. A certificate as per **Annexure - A** have to be issued by the user.
3. HoD to approve the purchase and issue purchase order.

List of documents to be attached in the Purchase indents:

- i. Copy of the Quotation countersigned by the end user.
- ii. User certificate as per **Annexure - A** with the signature of the end user.
- iii. Technical write-up in case of import and purpose of purchase whether for research / non-research shall be mentioned.
- iv. Authorization issued by OEM if the order is to be placed with the Dealer / Local supplier/ Retailer.
- v. Copy of the previous Purchase order to be attached in case of AMC.
- vi. Copy of Original purchase order to be attached in case of purchase of spares / Consumables.

* **Department** also means Centres/Sections/Deans

(3) For the value above INR 25,000 upto INR 2.5 Lakhs

Purchase order to be issued at the Department level itself in case of indigenous purchase. For Import and AMC, Purchase order will be issued by Admin Stores.

1. Local purchase Committee (LPC) consisting of 3 members from the Indenting department* should be constituted by HoD.
2. The LPC should survey the market to ascertain the reasonableness of rate, quality and specifications and identify the appropriate supplier and recommend the product for purchase
3. The LPC certificate as per **Annexure – B** should be signed by the LPCmembers.
4. HoD to approve the purchase and issue the purchase order.

List of documents to be attached in the Purchase indents:

- i. Copy of the Quotation countersigned by the end user.
- ii. LPC Certificate signed by 3 LPC members.
- iii. Technical write-up in case import and purpose of purchase whether Research or Non- research shall be mentioned.
- iv. Authorization issued by OEM if the order is to be placed with the Dealer/Local supplier/Retailer.
- v. Copy of Original purchase order of the equipment to be attached if spares/ consumables are purchased.
- vi. Copy of the previous Purchase order to be attached in case of AMC

* **Department** also means Centres/Sections/Deans

(4) For the value above INR 2.5 Lakhs upto INR 25 Lakhs

1. Float tender calling for bids for the procurement of the item.
2. Minimum 7 days timing should be given to submit the closed cover bids.
3. 2 bids system shall be adopted to ensure technical selection.
4. Minimum 4 enquires should be called for from the bidders if bids are invited through postal/email.
5. The Tender document should also be published in the Institute website tender.iitm.ac.in and as well as in Central Public Procurement Portal <https://eprocure.gov.in/epublish/app>.
6. The departments should obtain the necessary login credentials to publish the tender in CPP portal from admin stores.
7. Bid Evaluation Committee/local purchase committee shall be formed by the HoD.
8. Bids evaluation should be done by the Bid Evaluation Committee consisting of not less than four members of the Department.
9. Order shall be placed with the lowest bidder among the technically selected vendors.
10. On finalization of L1, indent have to be submitted by the Department to Admin Stores.
11. For the value upto INR.25 lakhs Chairman SPC will approve the purchase after audit clearance.
12. Purchase order will be issued by Assistant Registrar / Deputy Registrar (S&P)

List of documents to be attached in the Purchase indents:

- i. Copy of the tender document.
- ii. Copy of all the Quotations countersigned by the bid evaluation committee.
- iii. Proof of dispatch with the address list of the vendors.
- iv. Proof for floating the tender document in the Institute's website and in the Central Public Procurement Portal.
- v. Technical and price comparative statement signed by the Bid Evaluation Committee members.
- vi. Technical write-up in case of import and purpose of purchase whether Research Purpose or Non- Research Purpose shall be mentioned.
- vii. Authorization issued by OEM if the order is to be placed with the Dealer/Local supplier/Retailer.
- viii. Self-certification for Local content (Class I / Class II local Supplier) as per Make in India Purchase Preference Policy (MII) – Annexure-H
- ix. Self-certification for Land border sharing as per Annexure-I

* **Department** also means Centres/Sections/Deans

(5) **For the value above INR 25 Lakhs**

1. Large purchase committee should be constituted by the Head of Department and approved by the Chairman, SPC.
2. The Large Purchase Committee will comprise minimum of 6 members with 2 Faculty members from the purchasing departments, 2 Faculty members from other departments, Assistant / Deputy Registrar (S&P), Deputy Registrar (F&A) and Deputy / Joint Registrar (IA)
3. The Large Purchase Committee will finalize the bidder eligibility criteria, technical specifications and Terms & Conditions of the tender.
4. Funds Approval to be obtained from the Director through Dean(Planning) if the proposed procurement is not from the budgetary allotment of the Department.
5. Two bid system should be followed.
6. Tender should be floated only in **GeM portal or e-Procurement portal** with GeMAR&PTS for non-availability of goods / services in GeM portal.
7. Web publicity should be given in the Institute's website tenders.iitm.ac.in and in the Central Public Procurement Portal <https://eprocure.gov.in/epublish/app>.
8. Minimum 21 days tender notice for indigenous tender and minimum 28 days tender notice for Global Tenders to be given.
9. The Large Purchase Committee should first open the Technical bid and evaluate the bidder eligibility criteria, technical specification and terms & conditions as per the tender document and should select the technically qualified bids.
10. Financial bid of the technically qualified bidder(s) alone should be opened and evaluated by the Large Purchase Committee.
11. Order should be placed with the lowest bidder among the technically selected bidders.
12. On finalization of L1, indents have to be submitted by the department to the Admin Stores through Workflow.
13. For the value above INR 25 lakhs, the Director will approve the purchase after audit clearance.
14. Purchase order will be issued by Assistant Registrar / Deputy Registrar (S&P)

* **Department** also means Centres/Sections/Deans

List of documents to be attached in the Purchase indents:

- i. Financial approval obtained from the Director if the procurement is not from departments budgetary allotment.
- ii. Technical and financial quotations of tenderers.
- iii. Minutes of the technical selection and technical comparative statement.
- iv. Minutes of the financial selection and financial comparative statement.
- v. Technical write-up about the item if it is an import item and purpose of purchase whether Research Purpose or Non- Research Purpose shall be mentioned.
- vi. Authorization issued by OEM if the order is to be placed with the Dealer/Local supplier/Retailer.
- vii. Self-certification for Local content (Class I / Class II local Supplier) as per Make in India Purchase Preference Policy (MII) – Annexure-H
- viii. Self-certification for Land border sharing as per Annexure-I

(6) Single quotation Procurement

Procurement on single quotation basis without obtaining competitive bids can be resorted only in the following circumstances.

- (i) For standardization of machinery or spare parts to be compatible with the existing sets of equipment.
- (ii) If the item is manufactured from a single source only.
- (iii) In case of emergency, if the required item is to be procured from a single source, it can be done with the prior approval of Chairman SPC/Director

Prior approval of the Director have to be obtained for the waiver of open tender for procurement above INR.25 lakh on single quotation basis. The specially formed Large Purchase Committee after making thorough market survey should recommend that the item proposed to be procured are manufactured by only one vendor and no other make or model is acceptable and should also state the reason(s) in detail for procuring the items on single quotation basis.

List of documents to be attached in the Purchase indents:

- i. Filled-in “single quotation procurement proforma” as in **Annexure – C**.
- ii. Single quotation justification.
- iii. Technical write-up in case of import and purpose of purchase whether Research Purpose or Non- Research Purpose shall be mentioned.
- iv. Authorization issued by OEM if the order is to be placed with the Dealer/Local supplier/Retailer.
- v. Copy of the original purchase order of the equipment to be attached if spares/consumables are purchased for the equipment.

(7) Rate Contract Procurement

- 1. Procurement of goods and services can be done without inviting competitive bids from the Institute’s empanelled rate contractors.
- 2. The list of rate contract items are given in the following portal <https://iitmfsp.iitm.ac.in/document/list>

List of documents to be attached in the Purchase indents:

- i. Copy of the rate contract indicating the item selection and vendor selection.
- ii. Purpose of purchase to be declared.
- iii. Technical write-up in case of import and purpose of purchase whether Research Purpose or Non- Research Purpose shall be mentioned.

(8) Procurement of Computer items through OEM website

Online Purchase directly from OEM website upto the value of INR. 1 lakh may be resorted to, subject to the purchaser's own risk.

(9) CPDA Procurement

1. CPDA may be generally utilized for purchase of books, equipment related to professional activities.
2. Presently PC, Printer, Electronic equipment, Mobile phones and similar devices cannot be procured under CPDA.
3. Depending on the type of purchase, The Institute's purchase Procedure given in above sections shall be followed.
4. The HoD shall approve the purchase and issue Purchase order for indigenous purchases of value upto INR. 2.5 lakh. Purchases above INR.2.5 lakh shall be processed at Admin Stores level.
5. A certificate as per **Annexure - D** should be issued by the Faculty to procure from CPDA.

(10) PROCUREMENT THROUGH MAKE IN INDIA POLICY FOR ABOVE 5 LAKHS

(No. P45021/2/2017-PP (BE-II) dated 16.09.2020)

"Public Procurement (Preference to Make in India) Order 2017" (PPP-MII) of Department for Promotion of Industry and Internal Trade, (DPIIT - Public Procurement Section) as revised by No. P45021/2/2017-PP (BE-II) dated 16th September 2020" To encourage 'Make in India' and promote manufacturing and production of goods and services in India.

Local content means the amount of value added in India which shall, unless otherwise prescribed by the nodal ministry, be the total value of the item procured (excluding net domestic indirect taxes) minus the value of imported content in the item (including all custom duties) as a proportion of the total value in percent.

'Class-I local supplier' means a supplier or service provider whose goods, service or works offered for procurement, meets the minimum local content as prescribed for Class-I local content under this order.

Class-II local supplier' means a supplier or service provider whose goods, service or works offered for procurement, meets the minimum local content as prescribed for Class-II local supplier but less than that prescribed for *Class-I local supplier'* under this order.

Non-local supplier: means a supplier or service provider whose goods, service or works offered for procurement, has local content less than that prescribed for *Class-II local supplier'* under this order.

'L1' means the lowest tender or lowest bid or the lowest quotation received in a tender bidding process or other procurement solicitation as adjudged in the evaluation process as per the tender or other procurement solicitation.

'Margin of purchase preference' means maximum extent to which the price quoted by a "Class-I local supplier" may be above the L1 for the purpose of purchase preference.

'Nodal Ministry' means the Ministry or Department identified pursuant to this order in respect of particular item of goods or service or works

'Procuring entity' means a Ministry or Department or attached or subordinate office of or autonomous body controlled by the Government of India and includes Government companies as defined in the Companies Act.

'Works' means all works as per rule 130 of GFR 2017 and will also include 'turnkey works'

Self-declaration to be obtained from the Bidder(s) as per Annexure-H

(11) FUNDAMENTAL PRINCIPLES OF PUBLIC BUYING UNDER LAND BORDER SHARING
(F.No: 6/18/2019-PPD dated 23.07.2020)

Any bidder from a country which shares a land border with India will be eligible to bid in any procurement whether of goods, service (including consultancy service and non-consultancy service) or works including turnkey projects) only if the bidder is registered with the competent authority.

Self-declaration to be obtained from the Bidder(s) as per Annexure-I

(12) Processing of purchase indents through workflow

1. All purchase indents should be raised only through workflow.
2. SRB, Material Inward Inspection Report, Issue Voucher all should be generated only through workflow. Manually entered documents will not be accepted for Bill passing at Admin Stores.

(13) Payment of Bills

1. Bills for PO issued by Admin stores have to be submitted to Admin stores for processing payment.
2. For Advance payment, the following certificate has to be issued by the department on the **Proforma Invoice duly certified by end user and HOD at the back of proforma invoice**

----- % ADVANCE PAYMENT

“Certified that the amount is being drawn against proforma invoice for making % advance payment. Further, the goods will be taken into stock on receipt of the same and the certified invoice will be sent to the Deputy Registrar (F &A) through Stores and purchase section for adjustment within 15 days of receipt of goods”

3. On receipt of the items, the Bills have to be adjusted by submitting the relevant documents.

For payment after supply/ Bill for adjustment items, the Commercial invoice (original) **duly certified by end user and HOD** should be submitted as below,

PAYMENT AFTER SUPPLY/ BILL FOR ADJUSTMENT (.....%)

Certified that the materials have been received in good condition and taken to stock vide SRB No. _____ Date _____ L/F No. _____

4. For “adjustment of advance payment” and for “payment after supply”, the following documents have to be enclosed while submitting the bill for adjustment/payment:
 - Issue Voucher
 - Material inward Inspection Report
 - Warranty certificate.
 - Installation report
 - Original SRB

Exact location of the asset shall be mentioned in the Issue voucher with the details of End user (name) to facilitate traceability of the items

5. The practice of entering of fixed assets physically by Admin stores for PO issued by the Departments irrespective of the value has been dispensed and the same is automated in the Workflow.

(14) Disposal of obsolete and condemned goods

1. To dispose the condemned and obsolete items in the department, the HoD shall constitute a Condemnation Committee to identify the items for condemnation and disposal.
2. The Condemnation Committee should prepare the condemnation list for E-Waste and General Waste separately in the proforma given in **Annexure-F**.
3. The condemnation committee should recommend the condemnation proposal along with the filled-in Proforma for approval of the Director
4. Admin Stores will inspect the item along with the Condemnation Committee and evaluate the asset if it is fit for disposal and also workout the scrap value and depreciation value of items proposed for disposal.
5. After Evaluation, Director's approval will be obtained to condemn and dispose the items.
6. The approved items will be auctioned through GeM forward e-Auction.
7. Department shall follow the "Disposal Schedule" (**Annexure-G**) to ensure routine disposal of condemned goods.

(15) Tax Concessions extended by the Government to IITs

IIT Madras is eligible to avail the following concessions:

1. Concessional Custom Duty for imports

To avail duty concession, essentiality certificate have to be submitted to Customs. Admin Stores will issue the essentiality certificate to avail the concessional custom Duty.

2. Concessional Customs Duty / CGST / SGST and IGST (18.07.2022 onwards)

Concessional GST for indigenous orders & Customs Duty Integrated Tax for import orders for research purpose is not be applicable with effect from 18.07.2022

(16) Tagging of Assets with QR codes

1. QR coding of Assets are being done for easier identification of the asset and for accounting purpose.
2. The Details of the asset purchased like PO number, firm's name, value of the asset and SRB number are converted into QR Code to tag with the assets in the departments/sections/centres.
3. Tagging of Assets purchased with QR codes will be done once in 2month basis.
4. The stores-in-charge should cooperate with the Admin Storespersonnel to identify and assist in affixing of QR codes.

(17) Committees for procurement: STORES AND PURCHASE COMMITTEE

The Stores and Purchase Committee will approve and ratify all the procurement of the Institute and IC&SR for the value more than INR.25 lakhs. The Committee meets once in three months to approve and ratify the procurement.

Annexure A

End-user Certificate

“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”

Signature & Seal of End user

HOD signature & seal

LPC CERTIFICATE

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

1.

2.

3.

HOD signature & seal

PROFORMA FOR PURCHASE OF ITEMS ON SINGLE QUOTATION BASIS

DESCRIPTION OF THE ITEM:

CATEGORY: EQUIPMENT/COMPONENT/CONSUMABLE/OTHERS

The above item is proposed to be procured on single quotation basis for the following reason:

1. The indented goods are manufactured by M/s.
..... and it is required to be certified that the particular firm is only manufacturing the said goods.
2. No other make or model is acceptable for the following reasons:
 - A.
 - B.
 - C.
3. Standardization of the machinery/spare parts/components to be compatible with the set of existing equipments (The details of the existing equipment must be provided). In this case a certificate mentioning that name of the machinery/spare parts/components required with the name of the original equipment procured from the same firm is also required to be enclosed.

The detailed Technical justification has also to be enclosed with the proforma.

**Signature and designation of
the end user**

**Signature and seal of the
Head of the department/ centre**

CPDA CERTIFICATION

I (Name), _____, working as _____,
in the Department of _____, certify that
the item _____, is/are procured for my
professional development out of CPDA allotted to me.

Signature & Seal of End user

USER REGISTRATION FOR GEM PORTAL

FIRST NAME			
LAST NAME			
DESIGNATION			
NAME OF THE DEPARTMENT			
USER ID (IITM EMAIL ID)			
MOBILE NUMBER (LINKED WITH AADHAAR NUMBER)			
ROLES	CONSIGNEE		BUYER
SIGNATURE OF THE FACULTY / STAFF			
SIGNATURE OF THE HEAD OF DEPARTMENT			
DATE			

DISPOSAL FORMAT - G WASTE/E-WASTE

DEPARTMENT _____

Sl.No.	Item	QTY	Ledger Folio No.	Year of Purchase	Book Value	Present Assessed Value	Location	Reason for condemnation
1.								
2								
	Total							

Signature of the Condemnation Committee

Annexure G**DISPOSAL SCHEDULE**

SI No	Schedule I	Schedule II	DEPARTMENTS	CENTERS	SECTIONS	OTHERS	OTHERS1
1	January	July	Aerospace Engineering	Central Electronics Centre	Academic Section	Central Library	Engineering Design
2	February	August	Applied Mechanics/Phy...	Civil Engineering	Administration	Ocean	NCC/NSS/
3	March	September	Biotechnology/... /Workshop	Dean (Students Office & Hostels)	Engineering Unit	Computer Science and Engineering	GATE/ Taramani Guest / House
4	April	October	Chemical Engineering/ Management Studies	Centre for Continuing Education	Finance and Accounts Section	Mechanical Engineering	Stores and Purchase Section
5	May	November	Chemistry Metallurgical & Materials Engg.	P.G. Senapthy Centre for Computing Resources (CC)	Security Section	Gymkhana/Hu... & Social Science	Communication Officer Office/Placement Office
6	June	December	Electrical Engineering	SAIF/JEE/Bose Einstein Guest House	Hospital/Hostel Management	Office of Alumni Affairs	Office of International Relations

**FORMAT FOR SELF-CERTIFICATION UNDER PUBLIC PROCUREMENT POLICY
(PREFERENCE TO MAKE IN INDIA) 2017**

Tender Reference Number:

Name of the item / Service:

Date: _____

I/We _____ S/o, D/o, W/o, _____

Resident of _____

hereby solemnly affirm and declare as under:

That I will agree to abide by the terms and conditions of the Public Procurement (Preference to Make in India) Policy vide Gol Order no. P-45021/2/2017-PP (B.E.-II) dated 15.06.2017 (subsequently revised vide orders dated 28.05.2018, 29.05.2019 and 04.06.2020) MOCI order No. 45021/2/2017-PP (BE II) Dt.16th September 2020 & P- 45021/102/2019-BE-II-Part(1) (E-50310) Dt.4th March 2021 and any subsequent modifications/Amendments, if any and

That the local content for all inputs which constitute the said item/service/work has been verified by me and I am responsible for the correctness of the claims made therein.

Tick (✓) and Fill the Appropriate Category	
<input type="checkbox"/>	I/We _____ [name of the supplier] hereby confirm in respect of quoted items that Local Content is equal to or more than 50% and come under " Class-I Local Supplier " category.
<input type="checkbox"/>	I/We _____ [name of the supplier] hereby confirm in respect of quoted items that Local Content is equal to or more than 20% but less than 50% and come under " Class-II Local Supplier " category.

The details of the location (s) at which the local value addition is made and the proportionate value of local content in percentage

Percentage of Local content : _____ %**

Location at which value addition done : _____

For and on behalf of..... (Name of firm/entity)

Authorized signatory (To be duly authorized by the Board of Directors)
 <Insert Name, Designation and Contact No.>

[Note: In case of procurement for a value in excess of Rs. 10 Crores, the bidders shall provide this certificate from statutory auditor or cost auditor of the company (in the case of companies) or from a practicing cost accountant or practicing chartered accountant (in respect of suppliers other than companies) giving the percentage of local content.]

This letter should be on the letterhead of the quoting firm and should be signed by a competent authority.

** Services such as transportation, insurance, installation, commissioning, and training and after sales service support like AMC/CMC cannot be claimed as local value addition

(To be given on the letter head of the bidder)

Tender No.

Dated: _____

CERTIFICATE

I have read the clause regarding restrictions on procurement from a bidder of a country which shares a land border with India and hereby certify that I am not from such a country.

OR

(Bidders from Country which shares a land border with India)

I have read the clause regarding restrictions on procurement from a bidder of a country which shares a land border with India and hereby certify that I am from _____ (Name of Country) and have registered with the Competent Authority. I also certify that I fulfil all the requirements in this regard and am eligible to be considered. *(Copy/ evidence of valid registration by the Competent Authority is to be attached)*

Place:

Date:

Signature of the Bidder
Name & Address of the
Bidder with Office Stamp