

സർക്കുലർ

വിഷയം:- കോളേജ് വിദ്യാഭ്യാസ വകുപ്പ് - അക്കൗണ്ട്സ്-സ്റ്റോഴ്സ് പർച്ചേസ്-മാനവലുമായി ബന്ധപ്പെട്ട പൊതുവായ മാർഗ്ഗ നിർദ്ദേശം സംബന്ധിച്ച്.

സൂചന:- സ്റ്റോഴ്സ് പർച്ചേസ് (പരിശോധനാ വിഭാഗം-I) വകുപ്പിന്റെ 15/05/2018 ലെ എസ്.പി (ഐഡബ്ല്യു-1)2/16/2017/എസ്.പി.ഡി നമ്പർ കത്ത്.

സ്റ്റോഴ്സ് പർച്ചേസുമായി ബന്ധപ്പെട്ടുള്ള പൊതുവായ മാർഗ്ഗ നിർദ്ദേശങ്ങൾ സൂചന പ്രകാരം സർക്കാരിൽ നിന്നും ലഭ്യമായിരിക്കുന്നു. (പകർപ്പ് ഉള്ളടക്കം ചെയ്യുന്നു.) ഭാവിയിലുണ്ടാകാവുന്ന എല്ലാത്തരം പർച്ചേസുകൾക്കും ഇതോടൊപ്പമുള്ള സ്റ്റോഴ്സ് പർച്ചേസ് മാനുവലിന്റെ അടിസ്ഥാനത്തിൽ തയ്യാറാക്കിയ പൊതുവായ മാർഗ്ഗ നിർദ്ദേശങ്ങൾ നിർബന്ധമായും പാലിക്കേണ്ടതാണെന്ന് കർശനമായി നിഷ്കർഷിക്കുന്നു. അതിന് വീഴ്ച വരുത്തുന്ന പക്ഷം നടപടികൾ സ്വീകരിക്കുന്നതാണെന്ന വിവരം അറിയിക്കുന്നു.

ഡോ.ഡി.കെ.സതീഷ്  
അഡീഷണൽ ഡയറക്ടർ (ഇൻചാർജ്ജ്)  
കോളേജ് വിദ്യാഭ്യാസ ഡയറക്ടർക്കുവേണ്ടി

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പകർപ്പ്:-

1. ഡെപ്യൂട്ടി ഡയറക്ടർ, കൊല്ലം,കോട്ടയം, എറണാകുളം,തൃശ്ശൂർ, കോഴിക്കോട്
2. എല്ലാ ആർട്സ് & സയൻസ് കോളേജ് പ്രിൻസിപ്പാൾമാർക്കും, ഹോസ്റ്റൽ വാർഡൻമാർക്കും(കോളേജ് വിദ്യാഭ്യാസ വകുപ്പ് ഔദ്യോഗിക വെബ്സൈറ്റ് മുഖേന)
3. സ്കോളർഷിപ്പ് സ്പെഷ്യൽ ഓഫീസർ
4. പ്ലാനിംഗ് സെക്ഷൻ
5. ജനറൽ സെക്ഷൻ
6. കരുതൽ ഫയൽ/നടപ്പു ഫയൽ

ആർ.ബി.14.08.2018

## GENERAL DIRECTIONS

For fulfilling the duties and functions of various Departments of the Government, "Stores" have often to be purchased. The Articles from 120 to 162 of the Chapter VI ("Stores") of the Kerala Financial Code Volume-I (available in [www.finance.kerala.gov.in](http://www.finance.kerala.gov.in)) contains the general Rules applicable to all Departments regarding purchase of stores required for using public service. Also in the case of departments like Public Works, Forest and Wildlife, Stationery, Police and other special departments they have to follow Code and Manuals of the respective departments (example: P.W.D Code, Forest Code, Stationery Manual, Police Manual etc.). The above Manuals and Codes will be co-linearly applied with the Stores Purchase Manual and will be supplemented by provisions in the "Stores Purchase Manual" wherever specific provisions are not made in these Rules. Government have revised the STORES PURCHASE MANUAL as per G.O(P) No: 3/2013/SPD dated 21.06.2013 and modified vide GO(P) No.7/2014/SPD dated 28.08.2014 which are available in [www.kerala.gov.in\(link:Reports&Manuals\)](http://www.kerala.gov.in(link:Reports&Manuals)) and also in [www.spd.kerala.gov.in](http://www.spd.kerala.gov.in).

All Government Departments/Offices/Public Sector Undertakings/Autonomous Bodies etc. shall take utmost care in following the instructions deliberated in the Stores Purchase Manual 2013 while purchasing of stores.

### 1. Stores

The term 'Stores' means all articles and materials (other than cash and documents) which come into the possession of a Government servant for use in the public service. This will also include Annual Maintenance Services/Contract for maintenance of machinery/equipment, computers. However it does not include items like dietary articles of the animals in zoos, sundry articles like fuel, dietary products. (para 1.16)

### 2. Forecast of Requirement

A Government servant who has to purchase stores for the public service should estimate the requirements before proceeding with the purchase. Para 6.1 to 6.3 of the Stores Purchase Manual deals with necessity of forecasting of requirements. The Purchasing Officer should estimate his requirements before proceeding with purchase and based on this estimation he will be able to assess *whether Quotation or Tender formalities have to be followed* for the particular purchase. At the end of each financial year, he should prepare a list of articles required during the next financial year. The list may be prepared on the basis of the consumption during the previous 3 or 5 years and with reference to factors if any, which justify an increase or decrease compared with the average. The Purchasing Officer may effect purchase in order to secure the *advantage of competitive prices for bulk supply*. The purchase of any article in advance of requirements involve the locking up of Government money and is therefore not desirable unless it is reasonable likely to prove advantageous in regard to price.

### 3. Administrative Sanction

It is the duty of each Purchasing Officer to satisfy himself/herself that funds are available for

meeting the expenditure in connection with purchase of stores and that there is valid Administrative Sanction for effecting the purchase. The Purchasing Officer will ensure that all purchases arranged by him are supported by valid prior Administrative Sanction as laid down in *Paras 6.5 to 6.9* of the Stores Purchase Manual.

#### 4. Purchasing of Stores without quotation

Purchasing of stores up to Rs.15000/- on each occasion may be made without inviting quotations/bids subject to the conditions specified in Para 7.3 of the Stores Purchase Manual.

#### 5. Quotation System

Para 7.4 to 7.6 of the Stores Purchase Manual lays down that 'Quotation' shall be invited where the estimated value of the stores to be purchased is above Rs. 15,000/- and upto Rs.1,00,000/-. A specimen form of the quotation notice is given in *Annexure 10* of the Stores Purchase Manual, since the prescribed form incorporates all relevant terms and conditions it renders uniformity to the quotation notice issued from different departments. Short quotation notice as in *Annexure 11* may, however, be published in the notice board of the concerned purchasing office and the nearby prominent public places. At least *five working* days shall be given for submission of quotation by the supplier from the date of quotation notice. At least *three* quotations should be obtained for the purchase effected as per para 7.6. In such cases firms can submit their quotations in their own commercial letter papers (para 7.31). Purchasing of stores in this way may be made with the recommendation of a *Local Purchase Committee* consisting of three members as decided by the Head of the Department after inviting quotations.(para 7.4 )

#### 6. Tender System

Para 7.7 of the Stores Purchase Manual stipulates that Tender Systems should be followed for the purchase of stores *when the estimated cost is above Rs.1,00,000/-* A specimen form of tender is given in Annexure 2 of the Stores Purchase Manual. One of the main advantages of Tender System is that it helps to elicit a number of competitive offers. Moreover, the non-observance of Tender System causes revenue loss to Government by way of cost of Tender Forms and Stamp Papers for preliminary/final agreements. At least *15 days shall be given* for ordinary stores which can be procured from the Indian market(ix of para 7.33). Single tender can be accepted only subjected to the condition specified in para 7.20 and 9.49 of the Stores Purchase Manual.

#### 7. Two Bid System

In case of purchasing capital equipment, high value plant, machinery, etc., of complex and technical nature , Two Bid system has to be followed. The first part contain the relevant technical specification and allied commercial details (Technical Bid) and the second part contain the price quoted(Financial Bid). These Technical Bid and Financial Bid should be sealed by the tenderer in separate covers duly superscribed and both these sealed covers are to be put in a bigger cover

which should also be sealed and duly superscribed. Financial bids of technically qualified bids alone be considered for selection.(Para 7.50)

## 8. E- Tendering

As per G.O(Ms)No:13/2015/ITD dated 12.05.2015, all Government Departments/Boards/Public Sector Undertakings should follow e-Tenders for all tenders above Rs.5,00,000/- All queries/grievances pertaining to e – Procurement should be addressed to the e-mail ID: [etendershelp@kerala.gov.in](mailto:etendershelp@kerala.gov.in) and also in the Help Line with Phone Numbers 0471 2577088 and 0471 2577188 .( Para 1.10 and 1.12 & Note 1 under para 7.33)

## 9. The cost of Tender form is given below ( para 7.25):

### (i) Ordinary tenders involving supply of stores:

Estimated cost of materials for which tenders invited	Cost of Tender forms	
	Original Copy each (Rs)	Duplicate copy each (Rs)
Above Rs.1,00,000/- up to Rs.10,00,000/-	0.2% of the cost of tender rounded to the nearest multiple of 100, subject to a minimum of Rs.400*/- and maximum of Rs.1500/- + VAT ( @ 5% w.e.f 1.04.2012)	50% of the cost of the original, upper rounded to the nearest multiple of 100 + VAT ( @ 5% w.e.f 1.04.2012 )
Above Rs.10,00,000/-	0.15% of the cost of tender rounded to the nearest multiple of 100, subject to a maximum of Rs.25,000/- + VAT ( @ 5% w.e.f 1.04.2012)	50% of the cost of the original, upper rounded to the nearest multiple of 100 + VAT ( @ 5% w.e.f 1.04.2012)

### (ii) Special tenders with drawing, etc, involving erection of plant and machinery:

Estimated cost of materials for which tenders invited	Cost of Tender forms	
	Original Copy each (Rs)	Duplicate copy each (Rs)
Up to Rs.10 lakhs	0.25% of the cost of tender rounded to the nearest multiple of 100 - + VAT ( @ 5% w.e.f 1.04.2012 )	50% of the cost of the original copy rounded to the nearest multiple of 100 + VAT ( @ 5% w.e.f 1.04.2012)
Above Rs.10 Lakhs	0.20% of the cost of tender rounded to the nearest multiple of 100 + VAT ( @ 5% w.e.f 1.04.2012)	50% of the cost of the original copy rounded to the nearest multiple of 100 + VAT ( @ 5% w.e.f 1.04.2012)

\* In addition to the amount mentioned above, there will be an additional increase in the cost of the tender form as ordered in GO(P) No.409/2014/Fin. dated 23.09.2014, which is summarized below:-

#### **Existing Cost of Tender Form**

Up to Rs.1,000/-

More than Rs.1,000/- to Rs.10,000/-

#### **Additional amount to be collected**

Actual cost + 50% of the actual cost

Actual cost + 25% of the actual cost

Above Rs.10,000/-

Actual cost +15% of the actual cost

{In short, the minimum cost of tender form w.e.f 23.09.2014 is Rs.630/- i.e (400+50% of 400)+ 5% of 600 = Rs.630/-}. Tender forms also can be downloaded from the website(para 7.32 )

#### 10. Quotations/Tenders in sealed envelopes

Para 7.33(xi) and 7.38 of the Stores Purchase Manual stipulates that in all cases, Tenders/Quotations should be obtained in *sealed envelopes* with necessary superscription in the envelopes. Quotations/Tenders received in unsealed covers should be rejected. Tenders received after the specified date and time for receipt of tenders should not be considered {Para 7.43 & 9.7(f)}.

#### 11. Rate Contracts of Directorate General of Supplies and Disposals(DGS&D)

The Directorate General of Supplies & Disposals(DGS&D) , New Delhi is concluding rate/running contracts for a number of items in every year. The Purchasing Officers can avail these contracts if it is easier and economical to the department. If the items are intended to purchase on DGS&D rate/running contract, it should be clearly mentioned in the administrative sanction issued for the purchase {Paras 7.5(vi), 13.7 & 13.8}.

In the case of items for which rate/running *contracts(not rate fixation)* settled by the Stores Purchase Department exists or a running *contract* settled by the Head of a Department exists, it is obligatory for Government Departments to avail themselves of those *contracts*. The agreement form to be used in the case of running or rate contract is given in Annexure 32. (Para 13.9)

#### 12. Earnest Money Deposit

In order to safeguard against a bidder(s) withdrawing/altering its bid during the bid validity period Earnest Money Deposit should be collected along with tenders(para 8.1). The amount of Earnest Money Deposit is *1%* ( rounded to the nearest rupees)of the total estimated cost of the articles fixed by the purchasing officer *subject to a minimum of Rs 1500/-*(para 8.2). The Earnest Money Deposited by the unsuccessful bidders will be refunded at the earliest after expiry of final tender and not later than 30 days of the conclusion of the contract ( Para 8.16 &14.7 ).

In the e-tendering system the Earnest Money Deposited by the unsuccessful bidders will be refunded automatically.(Para 1.14)

#### 13. List of Registered Firms

A certified list of firms/dealers on whom copies of Quotations/Tenders were / are served has to be kept in the Office (para 7.16). Maintenance of such register will help individual enquirers to the local firms in the line and will also help to initiate action against registered firms/dealers who fail to quote consecutively on four occasions. The performance of each supplier can be watched only by keeping such a register.

#### 14. Tabulation Statement

Tabulation Statement has to be prepared in conformity with the instructions in para 9.16 and 9.17 of the Stores Purchase Manual.. It is meant to render ready information regarding the quotations/tenders received, rates recommended and accepted, the terms and conditions of supply,

details of payments etc. The Tabulation Statement should be correct, complete, informative and *authenticated by the competent purchasing or recommending officer*. The statements should be neat and clear. When the number of items is large, it is preferable to tabulate the rates for each item in a separate sheet.

#### 15. Departmental Purchase Committee

When the total cost of the articles to be purchased at a time is beyond the financial powers of the Purchasing Officer, he should forward the tenders received and other relevant record together with his recommendations to the higher authorities(para 9.39)

#### 16. Supply Order

Para 9.51 of the Stores Purchase Manual stipulates that a formal Supply Order should be placed with the successful tenderer/quotationer. A specimen of the supply order is given in *Annexure 22* of the Stores Purchase Manual. It should contain the description, quantity and price of the articles to be supplied. It should also prescribe the terms and conditions of delivery and payment ( Para 13.19). Copies of such supply order should be forwarded to the Accountant General, Sales Tax and Income Tax Authorities as envisaged in Para 9.53.

As per para 9.61 of the Stores Purchase Manual, the purchasing officer shall forward a draft agreement to the successful tenderer along with the supply order as given in *Annexure 23* directing them that the consignments need be sent only after executing the agreement.

#### 17. Performance Security and Agreement

As per para 8.17 to 8.29 of the Stores Purchase Manual, the Purchasing Officer should arrange to take performance Security Deposit equivalent to 5% of the total value of the contract to be obtained from every successful bidder for a contract value above Rs.1,00,000/-. A standard form of performance security and a specimen of final agreement(para 9.60) is given in Annexure 15 and Annexure 23 respectively of the Stores Purchase Manual. The agreement should be executed in Kerala Stamp Paper of value as decided by the Government from time to time(w.e.f 1.04.2015 the *value of the stamp paper is Rs. 200/-*) embodying the conditions of the order and providing necessary penal clauses for any breach of the conditions of contract. Payment in such cases will be made only after supplies are received, verified and *taken in to Stock*.

#### 18. Purchase from Public Sector Undertakings

Government have issued orders permitting direct purchase from Government Departments / PSUs / Autonomous Bodies etc. in relaxation of Para 9.23 of the Stores Purchase Manual. Before proceeding for direct purchase from Public Sector Undertakings/Co-operative Societies, such as M/s Kerala State Industrial Enterprises Ltd, M/s Kerala State Electronics Development Corporation(KELTRON), M/s Kerala Small Industries Development Corporation Limited(KSIDCO), M/s Artisans Development Co-Operative Limited, Kerala(ARTCO), M/s Kerala Artisans Development Corporation Limited (KADCO), M/s Kerala State Rubber Co-Operative Limited ( RUBCO), M/s Forest Industries (Travancore) Limited (FIT), Aluva, M/s Metal Industries Limited, Shoranur, M/s Steel Industrials Kerala Limited(SILK), Thrissur etc, the

purchasing officer should verify the Government Order in which the rates for the items were fixed. The purchasing officer should ensure that the period of validity of relaxation of para 9.23 of the Stores Purchase Manual is in force when the purchases are made as per those orders and also the specification and price of each item. *Government of Kerala have not issued any approved rate for computers and peripherals, Photocopying Machines and Air Conditioners for the purchase from any of the above mentioned PSUs.*

#### 19. Registers relating to Purchases

Invoice details should be entered in the *Main Stock Register* relating to the items purchased. Bills relating to purchase *should not be passed for payments* without making necessary entry in the *Main Stock Register* (para 12.22). The details regarding the details of EMD collected, Performance Security and the scheduled date of release of Security Deposit should also be clearly noted in the EMD/Security Register( para 14.8 )

#### 20. Settlement of Disputes

Normally disputes should be avoided after settling the contract . However if any such situation arises, Provisions in Chapter 15 of the Stores Purchase Manual should be scrupulously followed.

#### 21. Maintenance of Purchase Files

The maintenance of purchase files should be in accordance with the procedure laid down in the Manual of Office Procedure (Para 14.10). For every purchase there should be a separate file containing details regarding the order sanctioning the purchase, tender/quotation notice, list of dealers/firms individually contacted to obtain offers, supply order, final agreement ,copies of bills/invoices with stock entry certificate and details regarding payments. The current file and the note file should be serially page numbered. A note file should be invariably prepared and kept in the file indicating the day to day actions taken in the purchase procedure. These files may be closed on completion of purchase and final payment is made. For the purchase of the same item in the next financial year, a new file may be opened instead continuing action in a single file for several years.

#### 22. Unserviceable Stores

Article 154,155,156, and 157 of the Kerala Financial Code Vol. I deals with the unserviceable stores.. *Unserviceable stores means items that cannot be made serviceable by repairs at a reasonable cost(Art 156 )*.

Stores which become unserviceable in the ordinary course or by fair wear and tear may be condemned by the authority competent to authorize replacement by purchase. The following certificate may be recorded in such cases.

“Certified that I have personally satisfied myself that each item written off in these proceedings has become unserviceable in the ordinary course through proper usage or by fair wear and tear”(Article 154 of KFC Vol I)

If an item become unserviceable due to the negligence or avoidable carelessness of a person, the item should not be condemned until after the value of the item has been written off by the authority

competent to write off a loss of cash equivalent to their value OR the recovery of the amount has been effected from the person responsible [Article 155(a)]. Condemned stores which are quite worthless should be ordered to be destroyed.

The unserviceable stores/scraps can be disposed if they are physically present. The Head of the Office should record full particulars regarding all condemned stores in suitable lists from which their disposals can be checked.(Article 156).

In all cases where the stores are condemned, the orders should be supported by a survey report in *Form 21* ( survey report of stores which are obsolete/unserviceable) of the Kerala Financial Code Volume-II ( Note below Article 156 of the KFC Vol. I). The other forms to be used in this case are *Form 20* (Auction Register- should be maintained by the officer during the auction process) and *Form 20A* (Sale Account- should be prepared when the sold articles are released).

**Procedures to be adopted for the public auction of unserviceable stores**

**(Article 156A of the KFC Vol. I)**

- 1). Wide publicity should be given for conducting the auction and the form of publicity should conform to the rules prescribed in the departmental Manuals. In the absence of any provision regarding the publicity to be given, the officer sanctioning the sale shall decide the nature of publicity to be given with due regard to the assessed value of the articles to be sold.
- 2). Head of the office or any other Gazetted Officer authorized by the Head of the Office should attend the auction and record the final bids. A register in *Form 20* should be maintained by the officer.
- 3). Earnest Money Deposit at the rate of 1% of the assessed value of the articles to be sold has to be realized from the intending bidders before the commencement of the auction.
- 4). when the sold articles are released. The officer shall prepare a sale account in *Form No.20A*, the entries in the sale account should be attested by the dated signature of the officer who is present when the sold articles are released.

*The delegation of powers regarding the disposal of unserviceable items/Scraps* were issued as per G.O(Ms) No: 223/12/Fin. Dated 17.04.2012, G.O(P)No: 110/13/Fin dated 1.03.2013 and modified vide G.O(P) No: 506/2013/Fin dated 5.10.2013 which are summarized as below:-

The Administrative Department	Rupees 15 Lakhs in each case without annual limit.
The Head of the Department	Rupees 5 Lakhs
The District Officer	Rupees 2 Lakhs

*The sale proceeds should be credited to the miscellaneous receipt of the department concerned (Article 156 of KFC Vol. I)*

**23. Surplus stores**

*Stores remaining in stock for over a year should be considered surplus unless there is sufficient reason to treat them otherwise.* If on verification it is found that stores are held in



surplus, the Head of office should make out a list of such surplus stores with essential details and forward it to the Head of the Department. No sale of these stores should be made until it is assured that no Government Department requires them. The previous sanction of the competent authority should be obtained for the sale of stores regarded as surplus. (Article 157 of the KFC Vol. I).

Before orders are placed with private firms, the surplus stock of articles available with other Departments of the Government should be first utilized, irrespective of the cost at which it is available. (Article 129 of the KFC Vol.- I).

Forms to be used in this cases are *Form 21*. (The condemnation order should be supported by a survey report of the stores which are surplus and for condemnation), *Form 22*. (A report of the surplus stores for disposal shall be prepared in this form and should be signed by the Head of Office/a Gazetted officer authorized by him), *Form 20* (This Form should be maintained by the officer during the auction process.) and *Form 20A* (this form should be prepared when the sold articles are released and the entries has to be compared with the report in Form 22, before this form is authenticated by the competent officer)

#### **24. Important Articles relating to Stores in Kerala Financial Code Vol. I**

- (a) Purchase sanction (Art.125)
- (b) Receipt and verification of stores-Art.147( 1 )
- (c) Payment for stores-Art.148( a )
- (d) Stock accounts- Art.149( 1 )
- (e) Stock accounts for raw materials, furniture & stores, books, forms and stationary (Art. 150)
- (f) Valuation of stores in stock accounts(Art.151, 152)
- (g) Inspection of stores(Art.153)
- (h) Unserviceable and surplus stores(Art.154,155,156,157)
- (i) Verification of stores(Art.158, 159,160)
- (j) Discrepancies found on verification of stores(Art.161)