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| PURCHASE POLICY |

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| 2017 |

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| ( KENDRIYA BHANDAR ) |

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| KENDRIYA BHANDAR : NEW DELHI |

PURCHASE POLICY – 2017

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| **S.No.** | **Purchase Policy-2017** |
| **1.****2.** | **General Policy**1. Purchase of branded products shall be made from the manufacturers directly at a price not exceeding the cost price of distributors. Only where the manufacturers express their inability to do so the purchases will be made from their C&F/authorized distributors
2. Tenders shall be invited normally for items which are procured as per generalized specifications and for which brand names are not relevant.
3. Purchase of fast moving items should be made frequently so as do avoid the blocking of capital and payment of interest on overdraft.
4. As far as possible approved quality products indicated by Agmark, ISI etc. will alone be purchased.
5. In order to secure satisfactory performance of contractual obligations by the suppliers, they shall be required to fill up necessary forms, as may be determined by KB and pay security amount of Rs. 2 lakhs for one group of items initially along with other relevant documents. For suppliers seeking contract for more than one group of item additional security amount shall be Rs. 25,000/- for each group of item requested for registration. Relaxation from submission of security deposit either in case of welfare organizations like Cooperative Societies etc. may be granted. Further, in order to match the requirement of the changing economic scenario, Kendriya Bhandar may consider issue of appropriate bank guarantee as security deposit etc. to established manufactures of national repute, if so demanded. In order to promote new entrepreneurs in line with the Govt. policy of ‘Make in India’, Startup India etc. The requirement of submission of supporting documents will be limited to submission of the copy of registration papers of supplier under such category with appropriate authority and such other documents as may be required for registration of supplier. The requirement of ITR/Balance Sheet for last 03 years will be waived off in such cases.
6. Quality and competitive price will be the corner-stones of this Purchase Policy.
7. In order to provide choice to the consumers and also inducing healthy competition amongst the suppliers, multiple brands of varieties of products/commodity would be simultaneously purchased/procured.
8. Branded product includes a product whose turnover is very high, whose sale outside KB viz open market, other retail chain etc. and such other Cooperatives is substantially higher; and which has a regional or national presence by way of market share.
9. **Supplies**: The decision with regard to supply of any item or category of items through Godown or direct supply will be of KB authorities which will be final & binding. As a policy, manufacturers will be allowed to make supplies to godowns and distributors directly to stores. If a supplier willing to change or KB requires any change in mode of supply (from Godown to Direct supply or vice-versa), cost of handing/transportation not less than 2% will be considered. It will be prerogative of KB to approve any product introduction in such conditions as may be prescribed. KB may authorize sale of any product through all the stores or in any other manner as may be prescribed. After 06 months of introduction of any product, KB will have right to review periodically, discontinue or allow sale of product, restrict or extend the area of supply to such stores or on such conditions as may be prescribed.
10. Initially, there will be a range of maximum 06-08 varieties of any item. The product list will be reviewed and any product having less than 10% of total sale in the category will be placed on notice for discontinuation and as such 03 months notice will be given. On finding no improvement in sale after expiry of 03 months notice period the product will be considered for delisting. This exercise will be completed within 06 months from the date of approval of this policy. Finally, after 01 year from the date of approval of this policy, efforts will be made that only 02 branded and 02 fast moving local brands of any particular item remain on shelf under the listed category of products.

The following procedure should be followed for Grocery, Consumer, Stationery and other items.**GROCERY ITEMS**1. For common nature of items having generalized specification such as pulses/rice/spices & sugar, regular tenders shall be invited alongwith samples of goods from Millers/wholesalers having pulses license/food grain license/Agmark license etc. Effort should be made to procure the items through e-tender wherever possible. Goods confirming to Kendriya Bhandar’s specification which should be better than that prescribed under Preventions of Food Adulteration (PFA) specification / Agmark specification shall be procured. Time to time specification may be reviewed. Purchases may be made on the recommendations of the purchase committee on the basis of rates and samples submitted by the suppliers and their performance against the previous supplies. While recommending the purchase of these items, the rates as prevalent in the market shall also be taken into consideration. In order to ascertain that the rates and quality are up to mark, the market survey team may visit market to know the reasonableness of prices and accordingly purchases should be made as per purchase policy. A Reference may be made to local rates as published in the local Newspaper. The sample selected by purchase committee shall be divided in 3 parts. One part in sealed cover duly signed by AGM, QCO, AO & P&SE shall be kept under the custody of QCO. The other two part shall be given to Supdt. of concerned godown to ensure that goods received from supplier conform to the sample. The goods shall be unloaded in godown after comparing with the approved samples by Supdt. of Godown.

Thereafter, random samples shall be taken from bulk supplies by Quality Control Department and the same shall be tested in approved laboratory. After getting satisfactory report, goods shall be cleared for packing and onward sale through outlets of Kendriya Bhandar. These goods should be packed in the godowns of Kendriya Bhandar affixing the lot number, date of packing and selling price. Preference will be given to products of Public/Cooperative Sector as available at competitive prices. The above policy should also be applicable to purchases by ISU at monthly intervals.1. **Detailed policy/procedure for procurement of**

**Pulses & Rice**1. **Number of suppliers to be registered :**

Kendriya Bhandar may register up to 25 Nos. Millers/wholesalers having minimum five years experience in the business of pulses and rice. Importer / exporter of pulses and rice will also be eligible provided Party meets all the requirements of eligibility for registration in Kendriya Bhandar. Kendriya Bhandar’s endeavour should be to register and encourage regular millers/wholesalers/importer/exporter with good business practices so that lower procurement cost can be achieved. Registration of new firms mills in Kendriya Bhandar will be a continuous process. 1. **Eligibility:**

The Millers/ Wholesalers/Importers/ exporters having minimum five years experience with sales turnover of atleast Rs. Two crores or more per annum in the trading account in last two years. **Following Firms will NOT be eligible for registration with Kendriya Bhandar:**1. Firms who are doing only commission sales.
2. Sister concerns i.e. firms having common proprietor / partner
3. Black – listed firms by Kendriya Bhandar or by any other Cooperative organization/ Govt. Organization.
4. **Documents required to be submitted for registration:**
5. Audited Annual Accounts for the last three years.
6. Income Tax Returns and VAT Clearance Certificate for the last five years along with Tax Audit Report incorporating a certificate from their CA firm.
7. A copy of the Tax Identification Number (TIN), PAN Number etc.
8. Letter from the Bankers mentioning financial soundness of the firm.
9. A copy of the registered partnership deed/ registration certificate of the firm/ company as the case may be.
10. Details regarding godown/ infrastructure
11. Bank draft/Cheque for a sum of Rs. 2,00,000/- (Rupees Two lacs only) drawn in favour of Kendriya Bhandar as security deposit which shall remain with Kendriya Bhandar till the validity of registration. No interest shall be payable on the Security Deposit. Security Deposit amount may be revised for any higher amount on any future date and the same will be payable by vendor.
12. Undertaking on Non-Judicial Stamp Paper:

Firms shall be required to submit undertaking stating as under:-1. That their firm does not have any sister concern registered with Kendriya Bhandar for supply of pulses/ rice.
2. That their firm has not been blacklisted by Kendriya Bhandar or any other Co-operative Society/ Govt. Organisations.
3. That they fulfill all requisite statutory requirements for supply of Pulses/ Rice as prescribed by Govt. of Delhi/ Govt. of India/FSSAI prevailing from time to time and they shall be solely responsible for any violation on this account and shall indemnify KB against any liability arising from violation of any statutory requirement at their end.
4. The firms furnishing wrong information in the affidavit will be blacklisted / de-registered by Kendriya Bhandar and in addition the security amount shall be forfeited by the Management.
5. The existence/business of their firm is not only through commission sales.
6. Application Form for empanelment as supplier to be duly filled in and signed [cost of Application form : Rs.500/- only].
7. **Inspection of the premises of Mills/firms.**

The credential of the firm/supplier will be assessed/verified before registration of the mill/firm to ensure smooth and uninterrupted supply chain at all point of time.The premises of the mill/firm who had applied for registration, is inspected by team of officers including Quality Control Officer to assess the credentials, infrastructure capabilities, machinery human resource etc. and the quality of product being manufactured at the mill/firm before allowing the firm to be registered in Kendriya Bhandar. However, registration of new firms/mills in Kendriya Bhandar is a continuous process.Though registration of new mills/firms is a continuous process in Kendriya Bhandar, if required press advertisement inviting applications from the Wholesalers/Millers/Importers/Exporters shall also be placed on the website of Kendriya Bhandar.1. **Procedure for Procurement / Terms & Conditions of Supply:**
2. Limited tenders will be called by Kendriya Bhandar periodically from the Millers/ Wholesalers/importers/exporters registered with Kendriya Bhandar for making purchases of pulses and rice depending upon the requirement and intimation regarding date of tender shall be communicated to all registered firms two days in advance.
3. The rate quotation should be submitted by registered millers/ wholesalers/ importers/ exporters in a sealed cover subscribed “Quotation for Pulses and Rice” addressed to the AGM (Grocery), Kendriya Bhandar and should reach his office as per the date and time fixed by Kendriya Bhandar from time to time. Late tenders shall neither by entertained nor be opened. Fax/ Telex/ Telegraphic/E-mail tenders shall not be entertained. Procurement by two bid system is being followed. The commercial bid will be opened only after the Purchase Committee is satisfied with and finalises / selects the sample (from the samples) tendered by the bidders.
4. Alongwith their Quotation, suppliers are required to submit two packets of samples of not less than 500 gms of each item which they have quoted. Samples must indicate the name of supplier and name of item.
5. The tenders submitted by registered firms shall be opened by Purchase Committee after following procedure of Two Bid procurement. Although, Kendriya Bhandar’s endeavour shall be to place orders on the same day by 8:00 p.m., however, in case of any exigency, same can be deferred to the next day. Therefore, rates quoted shall hold good for a minimum of two days from the date of opening of tender.
6. The rates of Pulses, Rice should be on net weight basis only.
7. Supply of pulses and rice shall be received on the basis of FOR Kendriya Bhandar premises.
8. Tolerances in quantity to be supplied shall be +/- 3% of total ordered quantity mentioned in the purchase order.
9. Supply of pulses and rice from the registered suppliers will be obtained in bulk quantity as per the samples / quality decided by the Purchase Committee and the packing will be done in Kendriya Bhandar after the satisfactory lab-test report of the goods is received.
10. Warranty/Guarantee of Material:
11. The suppliers shall be responsible for 90 days guarantee of quality of the material being supplied to Kendriya Bhandar during which time Kendriya Bhandar reserves the right to reject the material and return to the concerned supplier in case the same fails in post testing.
12. All suppliers of Pulses, Rice should meet the requirement of Kendriya Bhandar’s specifications and suppliers will be responsible for any legal action under FSSAI or any other statutory provision arising due to any non-conforming quality of supplies as per these specifications.
13. Payment:

Payment terms for supply of pulses, rice shall be 30 days from the date of receipt of satisfactory laboratory report about the quality of material/consignment. **(VI) Quality Assurance/Visual Inspection & Lab Testing:**1. Kendriya Bhandar reserves the right to upgrade/modify the specifications of the items from time to time to improve the quality of pulses and rice. The modification in the specifications of the item shall be communicated to all the suppliers before tenders.
2. Visual Inspection and comparing of actual supplies with the master sample shall be carried out by concerned godown Supdt./KB official before accepting supplies, further it will be subject to lab. testing as per Kendriya Bhandar specifications.
3. The material shall be sent for lab testing in an accredited laboratory appointed by Kendriya Bhandar as per Kendriya Bhandar’s specifications before acceptance by the Godowns. Only after the receipt of satisfactory report from the laboratory, the material shall be taken in the charge by the godowns. **The laboratory testing by Kendriya Bhandar is final and binding on all the suppliers.**
4. In case the sample of the supplier fails in lab testing, the samples may be considered for re-testing (in exceptional cases) in the same laboratory at the cost of the supplier based on the specific request received from the concerned supplier.
5. In case sample from any Miller/Wholesaler fails in lab testing, the consignment will be rejected and the same will have to be removed from concerned godown of Kendriya Bhandar within 2 days by the respective Miller/Wholesaler.
6. In case the goods are not removed within the specified period of two days Kendriya Bhandar shall levy a minimum demurrage Rs.1000/- per day.

**(VII) Delivery and Risk Purchase:**1. All suppliers are required to supply the material within 7 working days from the tender date. Supply of full quantity to the respective godowns in one lot shall be preferred.
2. In case the supplier on whom the purchase orders have been placed fails to supply the goods within the delivery period, Kendriya Bhandar reserves the right to go in for risk purchases tender or to purchase same item from the market for such items immediately after expiry of delivery period and to impose penalty as prescribed at para (4) hereunder.
3. The supplier shall be debarred from quoting rates in next two consecutive tenders for that item.
4. In case the supplies are received late, penalty will be imposed @ 3% and if the material is not supplied and Kendriya Bhandar does not go for Risk Purchase a penalty @ 6% or Rs.50,000 whichever is less will be imposed.
5. Penalties:
6. Pre-testing:Action as under shall be taken against the suppliers in case their samples fail in pre testing:-
7. The supply is rejected and returned to the suppliers.
8. Lab testing charges shall be recovered from the supplier. Fresh supply shall be accepted from the supplier strictly within the delivery period failing which risk purchase will be made.
9. The supplier will be debarred from participating in tender for supply of specific item failed in the lab testing in next two consecutive tenders.
10. Post-testing:Action as under shall be taken against the suppliers in case samples fail in post testing:-
11. The supply would be rejected and returned to the suppliers.
12. The lab testing charges shall be recovered from the supplier.
13. Unsold stock lying in the stores will be received back in the godown and the same shall be returned to the supplier. The value of the unsold stock shall be recovered from the suppliers.
14. Packing, polythene and transportation charges of unsold stock shall be recovered from the supplier.
15. The supplier will be debarred from participating in the next two consecutive tenders for the same items.

**(VIII) Review of Registration and renewal:**1. Registration of suppliers shall be carried out on continuous basis (first come first serve basis) subject to a prescribed limit of firms. Serial numbers will be allotted to the applications in the order in which they are received.
2. In case any registered supplier does not participate in atleast 60% of the fortnightly tenders in six months period, he is liable to be de-registered.
3. In the event of more than three failures of sample of same item in both pre/post-testing put together in a quarter, Security Deposit of concerned suppliers shall be forfeited and they shall be debarred from participating in the tenders in entire next quarter for that item. The supplier shall deposit security amount afresh for participating in tender for other items.
4. Registration of the suppliers shall be renewed after a period of 2 years keeping in view the record of frequency of participation against Kendriya Bhandar tenders, value of the orders bagged, timely supplies and failure of samples in lab test etc.

**(IX) Direct procurement from Mandi/Millers:**In exceptional/emergent situation or in the event of quoting of higher prices by the Millers/ Wholesalers or suspected formation of cartel by the registered Miller/Wholesaler, the Purchase Committee may procure directly from the Mandi/Millers any item or more than one item, if required.**(X) Other conditions:**1. The firms furnishing wrong information in the affidavit and submitting false documents will be blacklisted/de-registered by Kendriya Bhandar and in addition the security amount and bank guarantee (if any) shall be forfeited/encashed.
2. The Managing Director, Kendriya Bhandar reserves the right to debar any registered firm from participating in next tender/tenders if in his opinion the conduct and performance of the supplier is not satisfactory. Further, Managing Director, Kendriya Bhandar in his discretion and upon facts and circumstances of each case, may impose penalty/fine as deemed fit.
3. (a) Kendriya Bhandar reserves the right to reject any or all the tenders without assigning any reason thereof.

(3) (b) Kendriya Bhandar reserves the right to amend either commercial terms and conditions or specification etc. for supply of Pulses, Rice with prior intimation to empanelled suppliers which shall be binding upon them. 1. **Kendriya Bhandar technical specifications in respect of pulses and rice** will be provided by Quality Control deptt. of Kendriya Bhandar after the registration process is completed.

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|  | **C) PURCHASE POLICY FOR PROCUREMENT OF SPICES**Whole spices viz Saunf, Loung, Dal Chini, Elaichi, Sarson, Methi Dana etc. shall be purchased in consumer packs through monthly tenders invited from registered manufacturers/ wholesalers. 1. **Number of suppliers to be registered :**

Kendriya Bhandar may register up to 10 Nos. manufacturers/wholesalers having minimum five years experience in the business of spices/Kirana. Kendriya Bhandar’s endeavour should be to register and encourage regular manufacturers/wholesalers with good business practices so that lower procurement cost can be achieved. Registration of new manufacturers/wholesalers for supply of whole spices in Kendriya Bhandar will be a continuous process.1. **Eligibility:**

The Manufacturers/Wholesalers having minimum five years experience with sales turnover of at least Rs. 75 Lakhs or more per annum in the trading account in preceding two financial years. (from the date of application for registration).**Following Firms will NOT be eligible for registration with Kendriya Bhandar:**1. Sister concerns i.e. firms having common proprietor / partner.
2. Black – listed firms by Kendriya Bhandar or by any other Cooperative organization/ Govt. Organization.
3. **Documents required to be submitted for registration:**
4. Audited Annual Accounts for the last three years.
5. Valid Agmark License
6. Valid Packing License
7. Income Tax Returns and GST Registration Certificate for the last five years along with Tax Audit Report incorporating a certificate from their CA firm.
8. A copy of the Tax Identification Number (TIN), PAN Number etc.
9. Letter from the Bankers mentioning financial soundness of the firm.
10. A copy of the registered partnership deed/ registration certificate of the firm/ company as the case may be.
11. Details regarding godown/infrastructure
12. Bank draft/Cheque for a sum of Rs. 2,00,000/- (Rs. Two lacs only) drawn in favour of Kendriya Bhandar as security deposit which shall remain with Kendriya Bhandar till the validity of registration. No interest shall be payable on the Security Deposit. Security Deposit amount may be revised for any higher amount on any future date and the same will be payable by vendor.
13. Undertaking on Non-Judicial Stamp Paper:

Firms shall be required to submit undertaking stating as under:-1. That their firm does not have any sister concern registered with Kendriya Bhandar for supply of spices.
2. That their firm has not been blacklisted by Kendriya Bhandar or any other Co-operative Society/ Govt. Organization.
3. That they fulfill all requisite statutory requirements for supply of Spices as prescribed by Govt. of Delhi/ Govt. of India/FSSAI prevailing from time to time and they shall be solely responsible for any violation on this account and shall indemnify Kendriya Bhandar against any liability arising from violation of any statutory requirement at their end.
4. The firms furnishing wrong information in the affidavit will be blacklisted / de-registered by Kendriya Bhandar and in addition the security amount shall be forfeited by the Management.
5. Application Form for empanelment as supplier to be duly filled in and signed [cost of Application form : Rs.500/- only].
6. **Inspection of the premises of Manufacturers/ firms.**

The credential of the firm/supplier will be assessed/verified before registration of the mill/firm to ensure smooth and uninterrupted supply chain at all point of time.The premises of the manufacturer/firm who had applied for registration, is inspected by team of officers including Quality Control Officer to assess the credentials, infrastructure capabilities, machinery human resource etc. and the quality of product being manufactured at the mill/firm before allowing the firm to be registered in Kendriya Bhandar. However, registration of new firms/mills in Kendriya Bhandar is a continuous process.Though registration of new mills/firms is a continuous process in Kendriya Bhandar, if required press advertisement inviting applications from the Wholesalers/Millers/Importers/Exporters shall also be placed on the website of Kendriya Bhandar.1. **Procedure for Procurement / Terms & Conditions of Supply:**
2. Limited tenders will be called by Kendriya Bhandar periodically from the Manufacturers/Wholesalers registered with Kendriya Bhandar for making purchases of spices depending upon the requirement and intimation regarding date of tender shall be communicated to all registered firms two days in advance.
3. The rate quotation should be submitted by registered manufacturers/ wholesalers in a sealed cover subscribed “Quotation for Spices” addressed to the AGM (Grocery), Kendriya Bhandar and should reach his office as per the date and time fixed by Kendriya Bhandar from time to time. Late tenders shall neither by entertained nor be opened. Fax/Telex/Telegraphic/E-mail tenders shall not be entertained. Procurement by two bid system is being followed. The commercial bid will be opened only after the Purchase Committee is satisfied with and finalises/selects the sample (from the samples) tendered by the bidders.
4. Alongwith their Quotation, suppliers are required to submit two packets of samples of not less than 200 gms of each item which they have quoted. Samples must indicate the name of supplier and name of item.
5. The tenders submitted by registered firms shall be opened by Purchase Committee after following procedure of Two Bid procurement. Although, Kendriya Bhandar’s endeavour shall be to place orders on the same day by 8:00 p.m., however, in case of any exigency, same can be deferred to the next day. Therefore, rates quoted shall hold good for a minimum of two days from the date of opening of tender.
6. The rates of Spices should be on net weight basis only.
7. Supply of Spices shall be received on the basis of FOR Kendriya Bhandar premises.
8. Tolerances in quantity to be supplied shall be +/- 3% of total ordered quantity mentioned in the purchase order.
9. Supply of spices from the registered suppliers will be obtained in bulk quantity as per the samples/quality decided by the Purchase Committee and the packing will be done in Kendriya Bhandar after the satisfactory lab-test report of the goods is received. Items like Mustard seeds, Big Saunf, Small Elaichi, Loung, Dal Chini, Methi Dana, Black Salt, Imli etc. shall be purchased in suppliers pack.
10. Warranty / Guarantee of Material:
11. The suppliers shall be responsible for six months guarantee of quality of the material being supplied to Kendriya Bhandar during which time Kendriya Bhandar reserves the right to reject the material and return to the concerned supplier in case the same fails in post testing.
12. All suppliers of spices should meet the requirement of Kendriya Bhandar’s specifications and suppliers will be responsible for any legal action under FSSAI/AGMARK or any other statutory provision arising due to any non-conforming quality of supplies as per these specifications.
13. Payment:

Payment terms for supply of spices shall be 40 days from the date of receipt of satisfactory laboratory report about the quality of material/consignment. **(VI) Quality Assurance / Visual Inspection & Lab Testing:** 1. Kendriya Bhandar reserves the right to upgrade/modify the specifications of the items from time to time to improve the quality of spices. The modification in the specifications of the item shall be communicated to all the suppliers before tenders.
2. Visual Inspection and comparing of actual supplies with the master sample shall be carried out by concerned godown Supdt./KB official before accepting supplies, further it will be subject to lab testing as per Kendriya Bhandar specifications.
3. The material shall be sent for lab testing in an accredited laboratory appointed by Kendriya Bhandar as per Kendriya Bhandar’s specifications before acceptance by the Godowns. Only after the receipt of satisfactory report from the laboratory, the material shall be taken in the charge by the godowns. **The laboratory testing by Kendriya Bhandar is final and binding on all the suppliers.**
4. In case the sample of the supplier fails in lab testing, the samples may be considered for re-testing (in exceptional cases) in the same laboratory at the cost of the supplier based on the specific request received from the concerned supplier.
5. In case sample from any Manufacturer/Wholesaler fails in lab testing, the consignment will be rejected and the same will have to be removed from concerned godown of Kendriya Bhandar within 2 days by the respective Miller/Wholesaler.
6. In case the goods are not removed within the specified period of two days Kendriya Bhandar shall levy a minimum demurrage @ Rs.1000/- per day.

**(VII) Delivery and Risk Purchase:**1. All suppliers are required to supply the material within 7 working days for spices to be packed by Kendriya Bhandar & 10 working days for spices prepackaged by supplier from the tender date. Supply of full quantity to the respective godowns in one lot shall be preferred.
2. In case the supplier on whom the purchase orders have been placed fails to supply the goods within the delivery period, Kendriya Bhandar reserves the right to go in for risk purchases tender or to purchase same item from the market for such items immediately after expiry of delivery period and to impose penalty as prescribed at para (4) hereunder.
3. The supplier shall be debarred from quoting rates in next two consecutive tenders for that item.
4. In case the supplies are received late, penalty will be imposed @ 3% and if the material is not supplied and Kendriya Bhandar does not go for Risk Purchase a penalty @ 6% or Rs.50,000 whichever is less will be imposed.
5. Penalties:
6. Pre-testing:Action as under shall be taken against the suppliers in case their samples fail in pre testing:-
7. The supply is rejected and returned to the suppliers.
8. Lab testing charges shall be recovered from the supplier. Fresh supply shall be accepted from the supplier strictly within the delivery period failing which risk purchase will be made.
9. The supplier will be debarred from participating in tender for supply of specific item failed in the lab testing in next two consecutive tenders.
10. Post-testing:Action as under shall be taken against the suppliers in case samples fail in post testing:-
11. The supply would be rejected and returned to the suppliers.
12. The supply would be rejected and returned to the suppliers.
13. The lab testing charges shall be recovered from the supplier.
14. Unsold stock lying in the stores will be received back in the godown and the same shall be returned to the supplier. The value of the unsold stock shall be recovered from the suppliers.
15. Packing, polythene and transportation charges of unsold stock shall be recovered from the supplier.
16. The supplier will be debarred from participating in the next two consecutive tenders for the same items.

**(VIII) Review of Registration and renewal:**1. Registration of suppliers shall be carried out on continuous basis (first come first serve basis) subject to a prescribed limit of firms. Serial numbers will be allotted to the applications in the order in which they are received.
2. In case any registered supplier does not participate in atleast 60% of the fortnightly tenders in six months period, he is liable to be de-registered.
3. In the event of more than three failures of sample of same item in both pre/post-testing put together in a quarter, Security Deposit of concerned suppliers shall be forfeited and they shall be debarred from participating in the tenders in entire next quarter for that item. The supplier shall deposit security amount afresh for participating in tender for other items.
4. Registration of the suppliers shall be renewed on yearly basis keeping in view the record of frequency of participation against Kendriya Bhandar tenders, value of the orders bagged, timely supplies and failure of samples in lab test etc.

**(IX) Direct procurement from Wholesale market:** In exceptional/emergent situation or in the event of quoting of higher prices by the Manufacturer/Wholesaler or suspected formation of cartel by the registered Manufacturer/Wholesaler, the Purchase Committee may procure directly from the wholesale market any item or more than one item, if required.**(X) Other conditions:**1. The firms furnishing wrong information in the affidavit and submitting false documents will be blacklisted/de-registered by Kendriya Bhandar and in addition the security amount and bank guarantee (if any) shall be forfeited/encashed.
2. The Managing Director, Kendriya Bhandar reserves the right to debar any registered firm from participating in next tender/tenders if in his opinion the conduct and performance of the supplier is not satisfactory. Further, Managing Director, Kendriya Bhandar in his discretion and upon facts and circumstances of each case, may impose penalty/fine as deemed fit.
3. (a) Kendriya Bhandar reserves the right to reject/cancel any or all the tenders without assigning any reason thereof.

(3) (b) Kendriya Bhandar reserves the right to amend either commercial terms and conditions or specification etc. for supply of Spices, however, intimation to this effect will be communicated to all the empanelled suppliers accordingly and the shall be binding upon them. 1. **Kendriya Bhandar technical specifications in respect of spices** will be provided by Quality Control deptt. of Kendriya Bhandar after the registration process is completed.

**D) Purchase Policy for Procurement of Bulk Sugar**1. **Eligibility:**

Reputed Sugar Mills including Mawana, Dhampur, Uttam, Triveni, Simbhaoli, Daurala or equivalent willing to supply M-31 refined sugar with minimum 90% minimum retention on 1.18 mm in addition to 95% minimum retention on 600 mic. sieve and complying to the other requirement of IS 498/2003, directly to Kendriya Bhandar on 15 days credit.**Following Firms will NOT be eligible for registration with Kendriya Bhandar:**1. Sister concerns i.e. firms having common proprietor / partner.
2. Black – listed firms by Kendriya Bhandar or by any other Cooperative organization/ Govt. Organization.
3. **Documents required to be submitted for registration:**
4. Audited Annual Accounts for the last three years.
5. Valid Licenses/Statutory and other clearances
6. Valid Packing License
7. Income Tax Returns and VAT Clearance Certificate, as applicable, for the last three years along with Tax Audit Report incorporating a certificate from their CA firm.
8. A copy of the Tax Identification Number (TIN), PAN Number etc.
9. A copy of the registered partnership deed/ registration certificate of the mill/company as the case may be.
10. Details regarding godown/ infrastructure, as the case may be.
11. The sugar mills would be required to submit a recent copy of the Certificate of Analysis alongwith a sample of 500 gm. of the sugar at the time of registration.
12. **Undertaking on Non-Judicial Stamp Paper:**

Firms shall be required to submit undertaking stating as under:-1. That their firm does not have any sister concern registered with Kendriya Bhandar for supply of sugar.
2. That their firm has not been blacklisted by Kendriya Bhandar or any other Co-operative Society/ Govt. Organization.
3. That they fulfill all requisite statutory requirements for supply of Sugar as prescribed by Govt. of Delhi/ Govt. of India/FSSAI prevailing from time to time and they shall be solely responsible for any violation on this account and shall indemnify Kendriya Bhandar against any liability arising from violation of any statutory requirement at their end.
4. The mills furnishing wrong information in the affidavit will be blacklisted / de-registered by Kendriya Bhandar.
5. Application Form for empanelment as supplier to be duly filled in and signed [cost of Application form : Rs.500/- only].
6. **Procedure for Procurement / Terms & Conditions of Supply:**
7. Procurement of bulk sugar will be done by Kendriya Bhandar by inviting E-tender along with reverse bidding process periodically among the duly registered mills of Kendriya Bhandar for making purchases of Sugar depending upon the requirement.
8. Intimation regarding date of tender shall be communicated to all registered firms minimum two days in advance initially through Kendriya Bhandar through e mail and subsequently through the e-portal consultancy firm of Kendriya Bhandar.
9. The rate quotation should be submitted by registered sugar mills in the e-tender platform as per the notified time schedule mentioned on the e-tender portal.
10. The registered sugar mills will submit packets of samples of not less than 500 gms of their various factory units confirming to KB specification which will be kept as Master sample after approval for a period of six months depending upon the sugar production cycle.
11. The tenders submitted by registered mills shall be opened in the e-tender portal and the lowest price quoted by the respective mill will be considered as base price for the purpose of reverse bidding. All the registered sugar mills will be allowed to quote their competitive pricing by reducing their quotes from the base price (L-1 price) in Unit terms (per qtls) @ decremental value of Re.1/- per qtl. or multiple of it.

 **iii)** To achieve competitive pricing in the process of reverse auction and to ensure fair chance and competition among the registered mills, the closing time of reverse auction process will be automatically get extended by 05 (five) minutes if any fresh bid is submitted within last 5 minutes of Reverse auction closing time. 1. Supply of Sugar shall be received on the basis of FOR Kendriya Bhandar premises. Further, Kendriya Bhandar reserves the right to get the samples tested after taking samples from the delivered goods at the laboratories registered with Kendriya Bhandar. The report of Labs registered with Kendriya Bhandar will be final and binding.
2. Labeling of bags should comply all statutory norms.
3. Sugar shall have minimum remaining shelf life of nine (09) months at the time of supplies.
4. Packing – 50 kg PP bags with declaration of ISS M-31 Grade.
5. Delivery at – Pushpa Bhawan & RanaPratap Bagh. subject to requirement after confirmation from the Incharge, Grocery Godowns of Kendriya Bhandar.
6. Delivery period – supply to commence after 2th day of placement of order. Other terms & conditions will be as per delivery schedule intimated separately.
7. Payment terms – 15 days credit.
8. The sources/origin of product (the name of the company & mill) from where the product is being supplied should invariably be mentioned on the sample as well as on the quotation.
9. Billing shall be done by the milsdirectly on the name of Kendriya Bhandar and payments shall be made by Kendriya Bhandar accordingly. Any statutory variation in taxes/duties/govt. levies after placement of order shall be allowed subject to verification/proof.
10. Failure to honor the purchase order will attract penalty of Rs. 5 lacs or else action for blacklisting may lie. Further, decision of Managing Director in this regard will be final and binding.
11. Tolerances in quantity to be supplied shall be +/- 3% of total ordered quantity mentioned in the purchase order.
12. Supply of sugar from the registered mills will be obtained in bulk quantity as per the approved master sample and the packing will be done in Kendriya Bhandar.
13. Warranty/Guarantee of Material:
14. The suppliers shall be responsible for 90 days guarantee of quality of the material being supplied to Kendriya Bhandar during which time Kendriya Bhandar reserves the right to reject the material and return to the concerned supplier in case the same fails in post testing.
15. All suppliers of sugar should meet the requirement of Kendriya Bhandar’s specifications and suppliers will be responsible for any legal action under FSSAI or any other statutory provision arising due to any non-conforming quality of supplies as per these specifications.

(n) Payment:Payment terms for supply of sugar shall be 15 days from the date of receipt of satisfactory laboratory report about the quality of material/consignment. **(iv) Quality Assurance/Visual Inspection & Lab Testing:** 1. Kendriya Bhandar reserves the right to upgrade/modify the specifications of the items from time to time to improve the quality of sugar. The modification in the specifications of the item shall be communicated to all the suppliers before tenders.
2. Visual Inspection and comparing of actual supplies with the master sample shall be carried out by concerned godown Supdt./ KB official before accepting supplies.
3. Kendriya Bhandar reserves the right to send the material for lab testing in an accredited laboratory appointed by Kendriya Bhandar as per Kendriya Bhandar’s specifications before or after acceptance by the Godowns. Therefore, in such an eventuality, only after the receipt of satisfactory report from the laboratory, the material shall be taken in the charge by the godowns. The laboratory testing by Kendriya Bhandar is final and binding on all the suppliers.
4. In case the sample of the mill fails in lab testing, the samples may be considered for re-testing (in exceptional cases) in the same laboratory at the cost of the mill based on the specific request received from the concerned supplier.
5. In case sample from any Suppliers fails in lab testing, the consignment will be rejected and the same will have to be removed from concerned godown of Kendriya Bhandar within 2 days by the respective Supplier.
6. In case the goods are not removed within the specified period of two days Kendriya Bhandar shall levy a minimum demurrage @ Rs.1000/- per day.

**(v) Delivery and Risk Purchase:**1. All suppliers are required to supply the material strictly as per the purchase orders and requirement of Kendriya Bhandar. Any requirement/change of schedule will be communicated by respective incharge of godown at least one day in advance.
2. In case the mills on whom the purchase orders have been placed fails to supply the goods within the delivery period, Kendriya Bhandar reserves the right to go in for risk purchases tender or to purchase same item from the market for such items immediately after expiry of delivery period and to impose penalty as prescribed at para (4) hereunder.
3. The supplier shall be debarred from quoting rates in next two consecutive tenders for that item.
4. In case the supplies are received late, penalty will be imposed @ 3% and if the material is not supplied and Kendriya Bhandar does not go for Risk purchase a penalty @ 6% or Rs.5 lacs whichever is more will be imposed.
5. **Penalties:**
6. Pre-testing:Action as under shall be taken against the mills in case their samples fail in pre testing:-
7. The supply is rejected and returned to the mill.
8. Lab testing charges shall be recovered from the mill. Fresh supply shall be accepted from the mill strictly within the delivery period failing which risk purchase will be made.
9. The mill will be debarred from participating in tender for supply of specific item failed in the lab testing in next two consecutive tenders.
10. Post-testing:Action as under shall be taken against the suppliers in case samples fail in post testing:-
11. The supply would be rejected and returned to the suppliers.
12. The lab testing charges shall be recovered from the supplier.
13. Unsold stock lying in the stores will be received back in the godown and the same shall be returned to the supplier. The value of the unsold stock shall be recovered from the suppliers.
14. Packing, polythene and transportation charges of unsold stock shall be recovered from the supplier.
15. The supplier will be debarred from participating in the next two consecutive tenders for the same items.

**vi) Review of Registration and renewal:**1. Registration of mills shall be carried out on continuous basis (first come first serve basis) subject to a prescribed limit of firms fulfilling Kendriya Bhandar specifications and quality criteria. Serial numbers will be allotted to the applications in the order in which they are received.
2. In case any registered supplier does not participate in atleast 60% of the fortnightly tenders in six months period, he is liable to be de-registered.
3. In the event of more than three failures of sample of same item in both pre/post-testing put together in a quarter, Security Deposit of concerned suppliers shall be forfeited and they shall be debarred from participating in the tenders in entire next quarter for that item. The supplier shall deposit security amount afresh for participating in tender for other items.
4. Registration of the suppliers shall be renewed after a period of 2 years keeping in view the record of frequency of participation against Kendriya Bhandar tenders, value of the orders bagged, timely supplies and failure of samples in lab test etc.

**vii) Direct procurement from Wholesale market:** In exceptional/emergent situation or in the event of quoting of higher prices by the mills or suspected formation of cartel by the registered mills, the Purchase Committee may procure directly from the wholesale market any item or more than one item, if required.**viii) Other conditions:**1. The firms furnishing wrong information in the affidavit and submitting false documents will be blacklisted/de-registered by Kendriya Bhandar and in addition the security amount and bank guarantee (if any) shall be forfeited/encashed.
2. The Managing Director, Kendriya Bhandar reserves the right to debar any registered firm from participating in next tender/tenders if in his opinion the conduct and performance of the mill is not satisfactory. Further, Managing Director, Kendriya Bhandar in his discretion and upon facts and circumstances of each case, may impose penalty/fine as deemed fit.
3. A) Kendriya Bhandar reserves the right to reject/cancel any or all the tenders without assigning any reason thereof.
4. Kendriya Bhandar reserves the right to amend commercial terms and conditions, specifications etc. for supply of Sugar, however, intimation to this effect will be communicated to all the empanelled suppliers accordingly and the shall be binding upon them.

**E) Atta & Besan etc.**Atta will be made available in such a way that it is available in the lower, middle and higher price segments so that consumers have a wide choice. Chakki Atta in HDPE packing which comes in the lower price segment will be procured from registered Chakki. Prices shall be fixed on weekly basis following the price index of wheat darra in the Economic Times and adding suitable grinding charges. Besan, Suji, Maida etc. may be purchased as branded products. **F)** Other grocery items like edible oil, Vanaspati Pure Ghee etc. shall be purchased either directly from the manufacturers or their authorized distributors at rates applicable to wholesalers. As far as possible products confirming to PFA/Agmark/ISI specification in manufacturer’s original packing may be purchased. 1. For the provisioning of polythene for packing pulses/rice/sugar and spices, advertised tender shall be called on quarterly basis. Based on rates, capacity and performance of tenderer, the contract may be awarded.
2. Other products such as Aggarbatti, Dalia, Papad, Basmati Rice and branded masala etc. may be purchased of reputed make in supplier’s pack from the manufacturer or their authorized distributor at wholesale rates. For procurement of other items of Grocery, the provisions of the Purchase Policy should be strictly adhered to, which stipulates that branded items should be procured directly from the manufacturer or their authorized distributors as may be nominated by the manufacturer.
3. **Spices**

In case of branded spices, procurement may be made directly from the manufacturer or/their authorized distributor. 1. Wherever institutions do not purchase dietary items against the rates fixed by ISU on the basis of tender and they call for the tender separately from different agencies, Kendriya Bhandar may participate in the tender. For this Kendriya Bhandar’s margin may be kept upto 3% and depending upon the competition in the tender and value of order, the margin may be reduced not below 1% so that Kendriya Bhandar may not loose orders.
2. **Branded Sugar**

Branded Sugar in 1 kg & 5 kg packing will be procured from the registered mills/their authorized distributors who provides the best deal by obtaining the rates on monthly basis. Orders will be accordingly placed on the mill/authorized distributor who has quoted the lowest rate. The other mills/authorized distributors will also be allowed to supply if they are willing to match the L-1 price. (as per decision of the Board meeting held on 11.06.2016). 1. **CONSUMER ITEMS**
2. Consumer Division deals with toilet soaps, detergents, beauty and health related products etc. which are branded and there is no scope of inviting tenders. As far as possible**.** There may be local products which are either sold in Kendriya Bhandar or have local/ regional presence in the market or whose brand is not registered with Trade Mark Authorities and are not allotted with trade mark, such products be treated as unbranded. In order to either contain the prices or in the interest of sale/customers, such items may be procured through tender or otherwise at the discretion of Managing Director.
3. **Branded Items**
4. For branded items, Purchase Policy should be strictly adhered to and that these items should be procured only from the manufacturer or their authorized distributor.
5. Wherever more manufacturers are available their products should also be included subject to maximum limit of 06-08 products under any category.

Kendriya Bhandar shall enter into bi-partite/agreement for a specified period not exceeding one year with the manufacturer/its authorized distributors as the case may be. Any proposal of introduction/price revision should be supported by the price list provided by the manufacturer. Further, AGM concerned may ask for price list from manufacturer any time. Kendriya Bhandar’s effort should be that maximum discount is available to Kendriya Bhandar, so that it could even while making a small margin of profit, pass on the discount to the customers so that prices of Kendriya Bhandar are lesser than the Market prices or comparable with the market.1. **Unbranded items**
2. In respect of unbranded items, tenders should be invited for all such items. Invitation of tender should be restricted to the manufacturers or their authorized distributors. Dealers should not be considered for participation in the tender. After short listing of the tenders, agreement should be entered into with successful tenderer, which should be valid for a period not exceeding one year. The period for agreement may vary from product to product. However, it would be prudent that agreement is limited to the clauses fixing mode of supplies and Kendriya Bhandar margins etc and tender should be invited periodically for procurement on fortnightly or monthly requirement basis.
3. Before introduction of any new product, market survey regarding rates, sale potential etc. shall be done.

Payments shall be made as per mutual agreements between 15 to 60 days. In some cases, earlier payment to the suppliers can be considered in case the manufacturer/distributor of such items agrees to reduce their prices to Kendriya Bhandar. This should be done only if it is advantageous to Kendriya Bhandar. **d)** Following items which primarily belong to consumer division, may be procured by consumer division as branded or unbranded items as the case may be :-1. Duster
2. Naphthalene Balls/Phenyl
3. Room Freshener
4. Broom Brushes etc.
5. Candles
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1. **STATIONERY ITEMS**

The items dealt in by Stationery Division may be categorized as (i) branded items and (ii) unbranded items. Of the unbranded items, some items may be categorized as Limited tender items / Committee items. Following is the procurement procedure of each category of items with a view that quality products are available at reasonable and competitive prices. The procedure for procurement under each category is as under :-

Purchase procedure for items of Stationery Division

1. **Branded items**
2. The Purchase Policy, lays down that branded goods should be procured directly from the manufacturers, however, in case, some of the manufacturers, for reason of their own, may not be able to directly deal with Kendriya Bhandar, in such cases the procurement may be made from their authorized distributors**/Channel partners/dealers etc whomsoever gives competitive prices to Kendriya Bhandar**.
3. Kendriya Bhandar shall enter into bi-partite/tri-partite agreement for specified period not exceeding one year with the manufacturer/authorized distributor/**Channel partner etc,** as the case may be. It should be ensured that manufacturer gives their price list to Kendriya Bhandar, whenever there is any change in pricing. Kendriya Bhandar should make efforts to get the goods at maximum discount with the ultimate aim of supplying items to the Government Departments at equal to or less than market rate. The very objective of Kendriya Bhandar is defeated, if the prices of goods supplied to Government are higher than market price.
4. For branded items, an advertisement may be given in the leading Newspapers /through K.B’s website/direct mailer/communication from time to time inviting offers preferably from manufacturers for entering into bi-partite agreement or tri-partite agreement (  in case of authorized distributors/channel parters etc.) with the Kendriya Bhandar.
5. **Unbranded Items**

Tenders should be invited for most of such items. Invitation of tenders should be restricted to manufacturers or their authorized **partners**. Agreement should be entered into with the successful tenderer which should be valid for a period not exceeding one year. The period for agreement may vary with the product, ranging between 3 months to one year depending on possibility of price fluctuation and Kendriya Bhandar’s needs.

There are certain items (branded/unbranded) where the demand is sporadic and also requires immediate supply. These items may be categorized as Registration items. Registration in such cases cannot be individual-wise but should be item-wise. In such cases, **the quotation/ offers may be invited from the existing interested venders/other venders and after verification of the market prevailing rates, they may be allowed to execute the said order.**

In case demand of these items are received frequently, these can be considered as unbranded items and procedure outlined for procurement of unbranded items above will be followed.

1. **Committee Items**

There are some other items such as rifle racks, hospital/school furniture, sports items etc. for which the specifications are determined by individual customers. In such cases the concern **Purchase Committee** may conduct a market survey and submit its recommendations to competent authority for the approval. If the demand of such items is repetitive in nature, the procedure outlined above for Registration items may be followed.

1. **Miscellaneous**
2. For branded furniture, agreements with manufacturers having all-India presence like Godrej etc. may be entered into. For unbranded furniture, the procedure set out for committee items may be followed.
3. For all types of paper, the procedure set out for tender items may be followed. Kendriya Bhandar shall normally sell such product with margin of profit of up to 5% except in back to back cases of sale to Government where it may be reduced to **1.5 % to 2%.,** depending upon the competition.
4. Generally, marketing of capital equipments etc. will be done by Kendriya Bhandar. But in a case if clarification/ assistance is required the concerned company may be asked to render its services.
5. Kendriya Bhandar, as a principle, should not enter into “agency sales”.
6. **SALE THROUGH GOVERNMENT e Market Place (GeM)**

Kendriya Bhandar may upload maximum Stationery products including Office Automation, furniture items etc on the GeM portal, after obtaining competitive pricing at the back end and also participate against bid/Reverse biding etc. The supply of the same have to made through our sale counters however in case of capital equipment/ Furniture items etc the same should on the back to back bases with the concern vender.

1. **PARTICIPATION AGAINST TENDERS**

For participating against govt. tenders, which are comprising of numbers of items of the specified brand/ specification, Kendriya Bhandar may engage a particular vender, who is interested to deal through KB against such tenders and to provide most competitive pricing

Kendriya Bhandar may operate on margin of 3 % (which may be reduced to 1.5 %, in case of competition / not to lose the order) and to submit the desired EMD

However, in case on award of order further Performance Security have to deposited by the concerned vender.

The payment in such cases should be on back to back bases.

However in case of tender comprising of limited items/ limited validity period/suitable commercial terms, Kendriya Bhandar may make an affort for direct participation

1. **PURCHASE FROM THE OPEN MARKET**

In case any particular item is available in the open market at a lower rates, Purchase Committee may be allowed to make procurement from the open market after obtaining the approval of the competent authority , on case to case bases

1. **Tender Process**
2. Tender process will be conducted into two stages technical and financial. For each tender both technical and financial evaluation shall be conducted. During technical evaluation all technical aspects including capacity and capability of the firm, market reputation and standing of the firm, financial soundness etc. will be carefully evaluated. The tenderers shall be asked to submit technical and commercial tender (bids) together. Short listing will be done after technical evaluation and the short listed firm may be given another opportunity to reduce their rates, if any, in their financial bid. Financial bids received from the short listed firms will be opened in presence of their representatives and the lowest tender (L1) shall be accepted. In case it is found that lowest tederer (L1) does not have the capacity to supply the entire quantity, balance quantity may be offered to (L2) firm at the same price and terms and conditions offered to the lower tender (L1).
3. Depending upon monthly consumption of an item, minimum turnover of eligible tender shall be indicated. Tenderers shall be required to furnish audited balance sheet along with their offer.

It shall also be made that no brand name should be mentioned on the items supplied against tender and Kendriya Bhandar shall be within its right to procure branded items outside tender system.

1. **Approval on case to case basis**

This is covered by the provisions of procurement of “Committee items”.

1. **Payment terms for Stationery items**
2. **Tender items – 30 -40 days credit**
3. **Branded items** – as per the terms mutually agreed
4. **Capital equipments, registration item, committee item –**

After realization from customers/as per agreed terms.

1. **HANDLING OF TENDERS**
2. **Preparation of tender notice for advertised tenders.**

With a view to enable intending tenderers to have a clear idea of the stores to be purchased by the Kendriya Bhandar, a brief and clear indication of the items required should be given.

1. **Fixation of time for receipt and opening of tender**

The date and time for receipt and opening of tenders should be indicated in the tender notice as well as tender enquiry. In case of advertised tenders, it should be not less than 4 weeks from date of publication of tender notice and in case of limited tenders it should not be less than 2 weeks.

1. **Time allowed for offers to remain open for acceptance**

Normally the tenderers should be asked to keep their offers open for acceptance for a period of one month from the date of opening. But for such items for which tender samples are to be tested a long period may be fixed for the tenders to remain open. Ordinarily, these should be no occasion to seek extension of time beyond the original validity period. Extensions should be sought in exceptional case for such period within which it is expected to decide the tender.

1. **Postponement of opening date of tenders**

Request for extension of opening date of tenders will have to be decided on merits. When a decision regarding postponement of the date of opening of a tender is taken, it should be communicated to all concerned well in advance of the originally stipulated date of opening, in order to avoid complaints.

1. **Sale of advertised tenders**

Tender sets should be sold at the cash counter on payment of Rs. 200/- per set. A copy of the advertised tender notice shall be sent under certificate of posting to registered/likely suppliers of that item. A copy shall also be displayed on notice board.

1. **Limited Tender Enquiries**

Those enquiries should be sent to all the past/likely firms under certificate of posting and should also ensure that the list is kept upto date by removing the names of those firms who have been black listed/suspended/ banned.

1. **Receipt and Custody and Opening of Tenders**

All the tenders should be received in sealed envelope and placed in a sealed tender box meant for this purpose. The tenders should be entered in a register kept for this purpose. The tender opening committee should consist of the following officers:-

1. Accounts Officer/System Analyst
2. Purchase & Sales Executive

If any of the officer is not available, Divisional head may nominate any other officer.

1. **Opening of Tenders**

The Committee opening the tenders should verify that only authorized representative of the firms which have actually submitted the tenders are present at the tender opening. The representative of firm which have not submitted the tenders should not be allowed to be present. The tendering firms should be requested to indicate the name and address of the representative who would be attending the opening of tenders on their behalf. The Committee opening the tenders should prepare on the spot comparative statement of the quotations received indicating the salient features thereof. Each tender should be numbered serially, initialed and circled on the front page. Each page of the schedule of the prices, delivery period etc. should be circled and initialed. Blank tender should be cancelled under the initials and date by the committee members opening the tenders. Overwriting/corrections in the tender, if any, made by the firm should be initiated by the officer opening the tender. No amendment to the tenders will on any account be permitted after the tender opening has commenced. Under no circumstances tender in which the prices quoted are doubtful be considered.

1. **Late and Delayed Tenders**

The tenders or modifications to tenders received after the specified time of opening are treated as ‘Late’ while tenders and modifications to tenders received before the time of opening but after the due date and time for receipt of tenders are considered as ‘Delayed’ tenders. Late/Delayed tenders should not be considered and not called for negotiation. The question whether a firm who have originally submitted their offer in time but makes a post tender revision should be called for negotiation. The post tender revision should not be considered. However, if negotiations are to be held for solid reasons which are in no way connected or influenced by the post tender revision by a particular firm that firm should also be called for negotiation. In case post tender revision is not affecting the ranking of their offer and Kendriya Bhandar is gaining then only the post tender revision may be accepted.

1. **Comparative Statement – Preparation of**

After the tenders have been opened and on the extract prepared, the P&SE concerned will prepare comparative statement indicating necessary details concerning the firm’s offer such as rates, delivery, quantity offered discounts etc. together with any other relevant information. The P&SE will also be responsible for the correctness of the comparative statement.

The questions received from the tenderers for consideration of a particular demand should be carefully examined by the Purchase & Sales Executive. The Comparative statement should thoroughly be checked vis-à-vis the tenders received from the firm so as to avoid the possibility of any mistake.

1. **REVISION OF RATES**

While considering the fixation/revision of the rates, the AGM concerned shall satisfy himself as to whether the revision is necessitated by

1. General increase in price of raw materials
2. Increase in the quantum of levies/taxes etc. by the Government and
3. Any other relevant factor

A market survey will also be asked for. In case proposal of rate revision is to be approved in the expediency of requirement/service, the supplier will be responsible for payment of difference, if any, found/detected at later stage by market survey or otherwise.

1. **Purchase Committee for procurement of items shall be as follows**
2. Purchase Committee for Stationery Goods
3. DGM(Sty)/AGM(Sty) - Chairman
4. DGM(F&A)/CAO/AO - Member
5. P&SE (Sty.) - Member Secretary
6. Supdt. (Sty. Godown) - Member
7. Sr. Manager/Manager/ - Member

Incharge Sty. Counter

1. QCO - Member
2. Purchase Committee for Consumer Goods
3. DGM/AGM (C) - Chairman
4. DGM(F&A)/CAO/AO - Member
5. P&SE (C) - Member Secretary
6. Supdt. Consumer Gdn. - Member
7. QCO - Member
8. Purchase Committee for Grocery Goods
9. DGM/AGM (G) - Chairman
10. DGM(F&A)/CAO/AO - Member
11. P&SE (G) - Member Secretary
12. Supdt. Gro.Gdn - Member
13. QCO - Member

Executive Committee/Managing Director may co-opt or reconstitute the committees depending upon the need.

1. **Quality Control**
2. Pre-testing

Pulses, rice, spices purchased through tenders may be pre-tested before releasing for sale. The random samples from the bulk supply shall be lifted by quality control division and sent for testing in laboratory. On receipt of the test report confirming to specifications, goods shall be cleared for packing by the godown for sale through Kendriya Bhandar outlets.

1. Post Testing

Goods may be lifted from the stores by the quality control division randomly and the sample may be tested in laboratory. In case goods are not conforming as per specification of goods purchased, the sale of that lot/batch may be stopped and action may be taken for return of the unsold stock to the suppliers. The random post testing shall also be applicable for stationery items. Any edible item should be tested before introduction in Kendriya Bhandar.

1. Sty. Items

In order to ensure quality, to the extent possible, items should be procured in original manufacturer/mill packing at the time of acceptance of items by Supdt. ( Godown)/Manager concerned, quality of goods supplied shall be physically checked with reference to approved sample and other physical parameters such as weight, size, packing labels etc. Samples may also be drawn at regular intervals and sent for testing in the laboratory. In order to ensure that spurious items are not supplied to Kendriya Bhandar some samples of the items should be sent to the original manufacturer to certify the authenticity of the item.

1. **INDEMNITY**
2. The terms and conditions applicable between Kendriya Bhandar and its customers against supplies made by the supplier shall also be applicable to the supplier on back to back basis.
3. In the event of any damages being claimed by any customer of Kendriya Bhandar or any statutory authority for whatsoever reason against any product supplied by the suppliers shall be applicable to the supplier who will indemnify Kendriya Bhandar and its employees in such cases.

For edible items, the supplier should submit their bill with warranty certificate as prescribed in PFA.

1. **DELEGATION OF POWER**

Financial and other powers for making purchases will be as under :-

1. In case supplies are proposed to be procured/purchased form manufacturers or their authorized distributors, manufacturers/ distributors will be identified by the Purchase Committee and the rates obtained.
2. Managing Director may accord approval for purchase of goods as per Purchase Policy excluding in case of deviation for which the approval should be granted by Executive Committee.
3. All contracts/tenders etc. as per Purchase Policy shall be made with the approval of Managing Director. If there is any deviation, the same shall be approved by the Executive Committee.
4. Managing Director may accord approval of revision in price of existing product or may authorize to Divisional Head or any other Officer for this purpose.
5. Managing Director shall write off damaged goods on the recommendations of the Purchase Committee.
6. Managing Director may accord approval of all purchases of goods in accordance with the purchase procedure. He may also delegate suitably the powers to DGM/AGM. Wherever a purchase has to be made urgently in deviation of Purchase procedures, MD may accord approval for one time purchase not exceeding Rs.20 lacs. Any purchase in deviation of the laid down purchase procedures exceeding Rs.20 lacs shall be made with the prior approval of the Executive Committee provided in the value of such purchase does not normally exceed Rs. 50 lacs.
7. All the registration/empanelment of manufacturers/distributors of all items shall be finalized by Managing Director, Kendriya Bhandar. If there is any deviation, the same shall be brought before the Executive Committee.