

From

The Financial Commissioner & Principal Secretary to Govt. Haryana,
Industries Department, Chandigarh.

To

1. All the Heads of the Departments in the State of Haryana.
2. All the Managing Directors & Chief Executives of Boards/Corporations/Federations in the State of Haryana.
3. All the Deputy Commissioners in the State of Haryana.
4. The Registrar, Punjab & Haryana High Court at Chandigarh.

Memo No. 2/1/2004-4IB-II
Dated Chandigarh, the 6.05.2005

17 MAY 2005

Diary No. 106

Subject:

Amendments in the purchase policy/ procedure

I am directed to refer to the subject noted above and to state that with a view to bring uniformity & transparency in purchase procedures, the Government has decided as under:-

1. Powers & Constitution of the Purchase Committees:

- a. To finalize the purchase of such Stores for which Indents are received by Directorate of Supplies & Disposals, Haryana:

Powers of Purchase Committees

1. All purchase cases of stores valuing above Rs. 30 lacs. will be decided by the High Powered Purchase Committee. All the cases regarding arranging of rate contract will be decided by the High Powered Purchase Committee.
2. All purchase cases of stores valuing between Rs.10 to 30 lacs will be decided by the Standing Purchase Committee(Higher)
3. All purchase cases of stores valuing below Rs. 10 lacs. will be decided by the Standing Purchase Committee(Lower)

Constitution of Purchase Committees

The constitution of High Powered Purchase Committee will remain the same as constituted by the State Govt. vide their memo no. 2/1/2004-4IB II dt. 22.3.2005 & shall continue to function.

The constitution of Standing Purchase Committee(Higher) & Standing Purchase Committee(Lower) will be as under:-

Standing Purchase Committee(Higher)	Standing Purchase Committee(Lower)
<ol style="list-style-type: none">1. Financial Commissioner & Principal Secretary: Industries Department. (Chairman)2. Financial Commissioner & Principal Secretary: Finance Department or his representative.3. Financial Commissioner & Secretary: Indenting Department or his representative not below the rank of Deputy Secretary.4. Director, Supplies & Disposals. (member secretary)5. Head of the Indenting Department6. Technical Expert, Industries Department7. Any other member to be co-opted as considered necessary.	<ol style="list-style-type: none">1. Director, Supplies & Disposals or his representative2. Head of the Indenting Department or his representative3. Representative of the Finance Department not below the rank of Under Secretary.4. Technical Expert, Industries Department5. Any other member to be co-opted as considered necessary.
The quorum will be of four members	The quorum will be of three members

In the meeting of Standing Purchase Committee(Lower)/Technical Committee, a representative of Vigilance Department may be associated as a member where samples are to be examined.

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b. To finalize the purchase cases of Boards/Corporations/Federations which are processed by the concerned Boards/Corporations/ Federations:

Boards/Corporations/Federations of Haryana shall put up their purchase cases valuing above Rs. 50 lacs. before the Special High Powered Purchase Committee which will be competent to decide the purchase. The constitution of the Special High Powered Purchase Committee will remain the same as constituted vide memo no. 2/1/2004-4IB II dt. 22.3.2005 & shall continue to function.

The Boards/Corporations/Federations will decide all their purchases valuing below Rs. 50 lacs. at their own level.

As already mentioned by the State Govt. in their memo no. 2/1/2004-4IB II dt. 22.7.2004, for purchase of common items, the indents will be sent by Boards/Corporations/Federations to Director, Supplies & Disposals, Haryana & once a rate contract has been issued by Director, Supplies & Disposals, Haryana after approval of High Powered Purchase Committee, no Board/ Corporation/ Federation will call tenders for such items at their level and will purchase the stores against the rate contract so as to avoid duplicity of efforts & rates

c. To finalize the purchases of such items required by Govt. departments which are not store items of Directorate of Supplies & Disposals, Haryana:

For the items required by Government depts, which are not the store items of Directorate of Supplies & Disposals, Haryana (Annexure I to rule no. 1 contained in PFR Vol II) viz spare parts of buses by Transport department, Ready to eat food items by Women & Child Development department, fish/prawn seeds/feeds by Fisheries department/paper, photocopier & other allied items relating to Printing & Stationary department, Horticulture items etc., the tenders will be called & processed by the concerned depts. at their level as per the existing procedure. The purchases will be decided as under:-

Value of case	Competent authority
For cases valuing upto Rs. 10 lacs.	Committee at the level Head of the of concerned Department
For cases valuing between Rs. 10 lacs. to 30 lacs.	Committee at the level of Financial Commissioner & Principal Secretary of the concerned Department
For cases valuing above Rs. 30 lacs.	High Powered Purchase Committee .

The constitution of High Powered Purchase Committee will remain the same as has been constituted in respect of indents valuing above Rs. 30 lacs. to be processed by Director, Supplies & Disposals, Haryana except that Head of the concerned department will be the Member Secretary instead of Director, Supplies & Disposals, Haryana. The concerned department will circulate the agenda note for the meeting of High Powered Purchase Committee. The constitution of remaining two Purchase Committees to decide the purchases below Rs. 30 lacs., will be as under:-

Standing Purchase Committee(Lower) (For purchases upto Rs. 10 lacs).	Standing Purchase Committee(Higher) (For purchases between Rs. 10 to 30 lacs.)
1. Head of the Indenting Department or his representative	1. Financial Commissioner & Principal Secretary of the concerned Department Chairman
2. A representative of Finance Department not below the rank of Under Secretary.	2. Financial Commissioner & Principal Secretary: Finance or his representative
3. Technical Expert, Industries Department	3. Head of the Indenting Department or his representative member secretary
4. Any other Technical Expert of the relevant field to be co-opted as considered necessary.	4. Technical Expert, Industries Department
	5. Any other Technical Expert of the relevant field to be co-opted as considered necessary.

2. The purchasing power at the level of PGIMS, Rohtak is hereby increased from Rs. 5 lacs. to Rs. 10 lacs.(ad hoc items)

3. Post tender negotiations of rates:

The existing practice of holding negotiations by the Special/High Powered Purchase Committee with all the technically valid tenderers is hereby dispensed with. In future, negotiations of rates should be held by Special/High Powered Purchase Committee with lowest valid tender/s only.

The existing system of finalization of purchases by Standing Purchase Committee (Higher) & Standing Purchase Committee(Lower) without holding negotiations of rates with the bidders will continue. If the lowest valid rates are observed to be not reasonable, then the Purchase Committees may either decide to re-invite the tenders or counter offer of reasonable rate/s may be made to the lowest valid bidder.

4. Purchase preference:

Purchase preference may be allowed up-to 50% of the requirement to the Industrial Units located in Haryana on the lowest quoted/agreed rates provided the tendering firm claim the purchase preference tender and submit the registration certificate and the valid purchase preference certificate issued by the Industries Department alongwith their tender and submit an affidavit that their Sales Office for the purpose of billing is based in Haryana and all the billings are/will be raised from Haryana only.

5. Purchase of stores from manufacturers/dealers:

When manufacturer as well its dealer/s both quote the rates in the same purchase case, then for the purpose of distribution of order, they will be considered as one offer & the order/rate contract will be placed on that firm only which has quoted lower rates among such offers & the offer is as per NIT.

6 Processing charges of Director, Supplies & Disposals, Haryana for processing the indents of Boards/Corporations/Federations:

The instructions issued by the State Govt. vide memo no. 2/1/2004-4IB II dt. 22.7.2004 regarding depositing of the processing charges with Directorate of Supplies & Disposals, Haryana by Boards/Corporations/Federations, @ 1% of the value of the supply orders for which they send indents to Director, Supplies & Disposals, Haryana, will remain continue. However, no processing charges to Director, Supplies & Disposals, Haryana will be applicable in respect of such purchase cases, in which indents are called & processed by the concerned Department/Board/Corporations/Federation at their level & Director, Supplies & Disposals, Haryana is only a member of the Purchase Committee.

7. Purchases of Stores from the Rate Contracts issued by Director, Supplies & Disposals, Haryana:

Purchase of stores from the rate contracts issued by Director, Supplies & Disposals, Haryana will be sanctioned by the authorities as under:-

<u>Value of case</u>	<u>Competent authority to sanction the purchase</u>
For cases valuing upto Rs. 10 lacs.	Head of the concerned Department
For cases valuing between Rs. 10 lacs. to Rs. 30 lacs.	Financial Commissioner & Principal Secretary of concerned Department
For cases valuing above Rs. 30 lacs.	Minister in charge of the concerned Department

8. Repeat Supply Orders:

In respect of supply orders placed by the Director, Supplies & Disposals, Haryana, the repeat supply orders will be sanctioned by the authorities, as under:-

<u>Value of case</u>	<u>Competent authority to sanction the repeat order</u>
For cases valuing upto Rs. 10 lacs.	Director, Supplies & Disposals, Haryana
For cases valuing between Rs. 10 lacs. to Rs. 30 lacs.	Financial Commissioner & Principal Secretary; Industries Department .
For cases valuing above Rs. 30 lacs.	Chairman of High Powered Purchase Committee

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9. Purchases of Stores from Approved Sources & the rate contracts issued by Director General Supplies & Disposals, Govt. of India:

Purchases of Stores from the Approved Sources declared by the State Govt. & from the rate contracts issued by DGS&D, Govt. of India will be sanctioned by the authorities as under:-

Value of case	Competent authority to sanction the purchase
For cases valuing upto Rs. 10 lacs.	Head of the concerned Department
For cases valuing between Rs. 10 lacs. to Rs. 30 lacs.	Financial Commissioner & Principal Secretary of the concerned Department
For cases valuing above Rs. 30 lacs.	High Powered Purchase Committee

In case of DGS&D Rate Contract, the concerned Departments/ Boards/ Corporations/ Federations will either send indent alongwith funds to DGS&D, Govt. of India as per their procedure or will enter into independent contract with the Rate Contract holding firm.

In case of purchase of Vehicles, the present system of clubbing the indents of Government Department/Boards/Corporations & then getting the purchases decided from High Powered Purchase Committee, will remain continue. Similarly, if for any other item, Director, Supplies & Disposals, Haryana arrange rate contract lower than DGS&D, Govt. of India rates, then the purchases will be made by the Departments/Boards/Corporations/Federations against the rate contract issued by Director, Supplies & Disposals, Haryana.

10. Disposals of Stores:

Enhancement of Powers to dispose off the Stores: Finance Department vide their memo no. 5/8/2004-4FD-III/226 dt. 13.2.1991 had enhanced the powers of Condemnation Board at the level of Dy. Commissioners to Rs. 50,000/-. Now, the stores whose book value is less than or equal to Rs.2,00,000/-, shall be got condemned/disposed off by the Condemnation Board under the chairmanship of Deputy Commissioner of concerned district through monthly auction or tenders as may be decided by the Board.

The instructions contained in Haryana Govt. memo no. 2/1/2004-4IB II dated 22.7.2004 & no. 2/1/2004-4IB II dated 22.3.2005 shall be deemed to have been amended to the above extent.

This issues with the concurrence of the Finance Department conveyed vide their U.O. no. 9/8/2004-4FD-III/957(05) dated 4.05.2005.

[Signature]
Yours faithfully,

Special Secretary Industries,
for Financial Commissioner & Principal Secretary to Govt. Haryana,
Industries Department.

Dated : 6.05.2005

Endst. 2/1/2004-4IB-II

A copy is forwarded to all the members of the Standing Purchase Committees for information and necessary action.

[Signature]
Special Secretary Industries,
for Financial Commissioner & Principal Secretary to Govt. Haryana,
Industries Department.

Dated : 6.05.2005

Endst. 2/1/2004-4IB-II

A copy is forwarded to the Director, Supplies and Disposals, Haryana, Chandigarh for information and necessary action.

[Signature]
Special Secretary Industries,
for Financial Commissioner & Principal Secretary to Govt. Haryana,
Industries Department.

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Endst. 2/1/2004-4IB-II

Dated : 6.05.2005

A copy is forwarded to the Accountant General (Audit), Haryana, Chandigarh for information.

[Signature]
Special Secretary Industries,

for Financial Commissioner & Principal Secretary to Govt. Haryana,
Industries Department.

U.O. No. 2/1/2004-4IB-II

Dated : 6.05.2005

A copy is forwarded to all Financial Commissioners & Principal Secretaries and Administrative Secretaries to Govt. Haryana for information and necessary action.

[Signature]
Special Secretary Industries,

for Financial Commissioner & Principal Secretary to Govt. Haryana,
Industries Department.

To

All the Financial Commissioners & Principal Secretaries and
Administrative Secretaries to Govt. Haryana.

U.O. No. 2/1/2004-4IB-II

Dated : 6.05.2005

A copy is forwarded to the Financial Commissioner & Principal Secretary to Govt. Haryana, Finance Department for information with reference to his U.O. No. 9/8/2004-4FD-III/957(05) dated 4.05.2005.

[Signature]
Special Secretary Industries,

for Financial Commissioner & Principal Secretary to Govt. Haryana,
Industries Department.

To

The Financial Commissioner & Principal Secretary to
Govt. Haryana, Finance Department.

U.O. No. 2/1/2004-4IB-II

Dated : 6.05.2005

A copy is forwarded to the Sr. Spl. Private Secretaries/Spl. Private Secretaries /Private Secretaries to the Chief Minister/ Ministers for their kind information.

[Signature]
Special Secretary Industries,

for Financial Commissioner & Principal Secretary to Govt. Haryana,
Industries Department.

To

The Sr. Spl. Private Secretaries/ Spl. Private Secretaries /Private Secretaries to
the Chief Minister/Ministers.

U.O. No. 2/1/2004-4IB-II

Dated : 6.05.2005