



D Y PATIL INTERNATIONAL UNIVERSITY
AKURDI PUNE

POLICY AND STANDARD OPERATING PROCEDURE FOR PURCHASE DEPARTMENT

Quality Policy:

“Procurement of Material, Equipment’s and Services adopting Purchase Commitment at the Lowest Possible Rates with maintaining consistent Quality Deliverables.”

Definition:

- **Purchase:** The business activity directed to securing the material, supplies and equipment’s required in the University operation. It has a long-range objective of ensuring continuity of cost-effective supplies of material and service.
- **Purchase Section:** A section which functions under the Vice Chancellor of the University for carrying out the effective planning of material available and to procure goods and services at effective cost & quality with protecting the interest of the University.
- **Store:** A place/room/locked area within the University which is used to keep the purchased products in the safe custody of a designated official appointed by the University.
- **Storekeeper:** A designated officer who has been appointed by the University to maintain all the procedures related to the store who is reporting to Sr. Purchase Officer.
- **Intender:** A employee of the University who needs certain materials/services for performing an act or need the material to complete a task/service which is related to the job, to which he is assigned, by the University.
- **Purchase Intent:** A document forwarded by the intender to the Purchase section for acquisition of products/services with the approval of the HOD/Manager/Director.
- **Purchase Officer:** A staff member who is designated by university to carry out the purchase function as per the decision taken by the Senior Purchase Officer.
- **Supplier:** A person/company who provides the products/services to the University based on a purchase order/Work Order.
- **Purchase/Work Order:** A purchase order is an initial commercial document issued by purchaser to supplier indicating item/service details, quantities, and agreed prices for products or services.

Objectives:

- Make purchase commitments for materials, equipment and services at the lowest possible price, consistent with quality and delivery requirements.
- Ensure deliveries of purchased products are available to meet the operational and maintenance requirements and that the equipment is delivered and services are performed as and when required and agreed to by the user, buyer and supplier.
- Explore and recommend all cost effective methods of cost reduction on purchase of products.
- Ensure supplies adhere strictly to brand or make and test specifications and that materials and equipment's received meet specified quality standards and all stated performance criteria.
- Develop local suppliers/vendors.
- Establish and maintain professional relations with vendors.

Scope:

- All material required for the operation of the University
- All Capital to be raised for equipment's/items
- All raw material, Items including tender for repairs and maintenance to be carried out.
- Office equipment and stationery
 - Publications including books, periodicals etc.
 - Advertising Services
 - Software Services
- Housekeeping materials
- Fire and Safety equipment
- All machinery/equipment, services, AMCs and MEP Services.
- All other items of purchase of goods and/or services are not specifically included in exceptions.
- Projects Requirements which are coming under DSITC (Design/Supply/Installation/Testing & Commissioning) will be intended by Maintenance/Civil Department. It Includes
 - Lifts
 - RO Plants / WTP
 - Sewage Treatment Plants
 - Solar Water Heating Systems
 - Solar Electricity Generation – PP Agreements
 - Organic Waste Converter

- Fire Fighting System.
- ELV Works including Access Control/Motion Sensors/CCTV/etc.
- New Civil Construction

Exceptions:

- Professional fees/services
- Personnel Services
- Facility services including travel, hotel booking and housekeeping etc.
- Hiring office space.

Policies:

Except as otherwise specified under “Exceptions” entire purchase for DY Patil International University shall be made by the designated purchasing official. The purchasing official is empowered to act based on purchase requisition/approval notes with an approved expenditure sanction. However, it may be by-passed by purchase official during emergencies, must be documented on file explaining why the normal purchasing process was not followed.

Purchasing official responsibilities:

- Identify suppliers, and invite quote on quality, delivery, pricing etc. and make all purchasing commitment after obtaining approval from Vice Chancellor.
- Solicit quotation only from suppliers who are qualified or can be qualified to meet all requirements. An approved supplier list must be maintained for all purchases of a repetitive nature. Examination of financial status of company, facilities, its ability to perform within the time frame, meet commitments should be part of the criteria considered to select a supplier.
- The user and purchasing officials shall be jointly responsible for identifying acceptable suppliers with the user responsible for the technical evaluation and purchasing official responsible for commercial/financial and service evaluation. Once acceptable suppliers have been identified, the purchasing official will recommend to the purchase head for the selection of a supplier who can best serve to university requirement.
- The material specifications shall take into consideration the price and availability factors without compromising on quality. The quality standard shall not be unnecessarily rigid to preclude competition or economic purchasing.
- All products and services purchases must be properly covered by an appropriate

and duly authorized purchase requisition setting forth all the required information including date, specifications, and delivery instructions.

- Products of regular consumption shall be bought on a contract basis by sending annual enquiries every year. Other products shall be purchased by inviting quotations as and when request is received.
- Enquiries shall indicate the approximate quantity likely to be purchased in bulk quantities. The quantities to be indicated in the enquiry letters shall first be cleared by the authorized purchasing official with the intender or as per given quantity in PR.
- Purchase officials will decide on the invitation of new vendor or to take price quote from a list of empaneled vendors.
- Purchasing officials are responsible for obtaining at least three written quotations for the purchase of materials, services or equipment.
- Items cost below Rs.5000/- can be directly purchased by paying cash
- Minimum one written quotation shall be obtained for items less than Rs.5000/- and more than Rs.500/- after proper assessment of market rates.
- Purchasing officials are responsible for obtaining at least three written quotations for purchase of materials, services or equipment in excess of Rs.20000/-
- If quotations from less than three suppliers are obtained, appropriate justification should be recorded along with PO.
- All supply orders shall normally be awarded to the lowest bidder. In case of deviation from this, proper justification must be recorded with purchase order.
- Purchase orders should not be issued after delivery of goods or work has started or service rendered merely to facilitate payment. In exceptional cases such confirmation orders must be approved by the Vice Chancellor.
- A normal credit period of 30 days from the date of receipt of material shall be obtained from suppliers. Advance payment against orders, cash against delivery and documents through bank shall be authorized by the Vice Chancellor.
- The price quoted by any supplier and his identity shall not be disclosed to other suppliers until the finalization of the supplier and release of purchase order.
- All suppliers who have submitted the quotation shall be informed that the process has been completed and a vendor has been finalized upon.
- Settlement of supplier's bills for procurement of materials and/ or services shall be by way of Cheque, RTGS or NEFT payment. Petty cash purchases should be exempted from the same.
- All rejections and returns of the suppliers shall, as far as possible, be in the suppliers' cost and risk. Purchasing officials shall immediately inform the suppliers

of such a rejection for replacement or return.

- Other things being equal, local suppliers shall be given preference over outstation suppliers. The development of alternative suppliers should be pursued as an objective to reduce costs, provide flexibility and improve quality.
- Professional Relationship of purchasing personnel with suppliers and their representatives shall be the norm which will promote public goodwill in every respect and at all times. Dealings with suppliers will be conducted with utmost integrity, adhering to the highest standards of ethical and just conduct.

Purchase Requisition/Approval Note:

- All procurement of products and/or services covered by this policy shall be initiated through a purchase requisition/approval note duly approved by the HOD/Director/Registrar.
- Designated purchasing officials are empowered to act only based on an approved purchase requisition/indent/approval note.
- Senior Purchase Official will designate all Purchase Official to empower by rotation method to process received Indents, so that everybody should know about the details of Last Purchase.
- Intent must be covered by adequate approved budget provisions wherever necessary.
- Purchase requisition/intent shall not be sent to purchase after work has started or products delivered, or services rendered merely to facilitate issues such as purchase order and for payment. In exception cases, such confirmatory indents must be approved by Registrar/Vice Chancellor.

Release of Purchase Order:

- Based on the approved/signed PO hard copy by Vice Chancellor, order to send to supplier.
- The supply order will be sent to the supplier's official e-mail address. In emergency cases a copy of the supply order can be sent on WhatsApp to the supplier in advance. To ensure that there is no ambiguity in the purchase order.
- Purchase Order has to create in JUNO ERP system an official ERP software provided and approved by university or in Excel Approved Format.
- Three sets of PO copies to be printed out. 1st Copy for Supplier, 2nd Copy for Account department for Invoice or advance payment & 3rd copy for purchase department as a purchase record copy. One approved Xerox PO copy to be handover or sent by e-mail to user for reference.
- The standard terms and conditions are printed on the purchase order form

- As a normal policy, purchasing officials shall negotiate for F.O.R. Destination terms and ensure supplier sends materials on a freight pre-paid basis. In other cases, freight may be paid for in cash, or otherwise specified in purchase order as transport, loading, unloading charges extra as applicable and to be added in supplier invoice to be paid along with supply cost.

Performance Guarantee:

For all major equipment and instruments, it should be the responsibility of the purchasing official to secure performance guarantee from the manufacturer/supplier. The standard performance guarantee should make the supplier/manufacturer responsible for rectifying/replacing the defects that are due to manufacturing, designing observed in the item supplied within a period of one year from date of commissioning or 18 months from the date of supply whichever is earlier. The purchasing official should obtain such a performance bank guarantee from the manufacturer/supplier in writing.

Processing of Bills for Payment:

- All the bills received in purchase office along with challan, GRN copy, etc. from store to be check all necessary inward receipt stamps, entries from store.
- Basic price, quantity, taxes, other terms to be checked as per purchase order by purchase official.
- All documents to be verified/checked by Sr. purchase officer along with supporting documents includes original supplier bill, challan, test reports, purchase order and their supporting.
- Bill along with supporting documents to be submitted to account department after verification by Sr. Purchase Officer and final approval by Registrar.
- Original PO copy along with supporting documents to be submitted to account for advance payment as per purchase order.
- All supplier advances and bill payments to be followed by Sr. purchase officer on verbal communication, written e-mail or note to finance officer, account head or account official for timely release of payments. In normal practice account official has to release supplier payments as per terms and conditions given in purchase order.

Rejected Materials:

When material rejections occur, immediate action must be taken to return, replace and/or dispose of the rejections. Negotiation to return, replace and/or dispose of the rejected materials is the sole responsibility of the purchasing official.

Development of Alternate Materials/Source of Supply:

Development of new and dependable sources of supply is necessary to successful purchasing. Purchasing Official should constantly look for new suppliers, new lines and grades of materials and better prices.

Vendor Evaluation System:

Vendor evaluation for all materials will have to be done in an objective manner with a view to improving vendor performance and vendor relations. Suppliers will have to be monitored constantly with reference to quality, price, deliveries, response to changes, documentation etc. and feedback on performance provided to the vendors periodically. This would help in identifying vulnerable areas and take timely action to improving vendor performance.

Provisions to Enhance Public Relations with Market Suppliers:

- Schedule Physical Meetings at University Campus for Discussions & Negotiations.
- Update “Balance Confirmation “at least on Quarterly Basis.
- Organize Technical Seminars for Maintenance/Civil Department Staff to update New Products and Methodology.
- Offer “Best Relationship Award “to Suppliers after Yearly Supplier’s Evaluation.

Standard Operating Procedure

S. No.	Process	Content	Responsibility
1	Annual Project Quantity		
1.1		Requisition Submission	Intender/ HOD
1.2		Check Tech Specs/ Quantity	HOD/ Sr. Purchase Officer
1.3		Request for Quotations	Purchase Officer
1.4		Negotiation	Purchase Officer/ Sr. Purchase Officer
1.5		Comparison	Purchase Officer
2	Purchase Requisition/Indent/ Approval Note		
2.1		PR Submission	Intender
2.2		Receipt of PR & Records	Sr. Purchase Officer
2.3		Quantity to be check in stores	Intender

S. No.	Process	Content	Responsibility
2.4		Check PR for Specification, Delivery Schedule, Budget, Requisite Approvals, Etc.	Purchase Officer
2.5		Approval Note Creating, Get Approval	Intender/ HOD
2.6		PR Inward	Sr. Purchase Officer
2.7		Hand Over PR to Buyer	Sr. Purchase Officer
3	Quotation from Suppliers		
3.1		New Products Tech Spec to be check	Intender/ HOD
3.2		Request for Quotation (RFQ)	Purchase Officer
3.3		Comparison	Purchase Officer
3.4		Negotiation	Purchase Officer/ Sr. Purchase Officer
3.5		Selection/Finalization of Supplier	Purchase Officer/ Sr. Purchase Officer
4	Purchase Order/Work Order		
4.1		PO/WO Creation in ERP/ Excel Format	Purchase Officer
4.2		PO/WO Approval from Registrar & Vice Chancellor	Sr. Purchase Officer
4.3		Release of PO to Supplier	Purchase Officer
4.4		PO Acceptance from Supplier	Purchase Officer
4.5		Follow-up with Supplier for Material	Purchase Officer/ Sr. Purchase Officer
5	Receipt of Material		
5.1		Receipt of Material at Store	Store Incharge
5.2		Receipt of Material at Site	Site Engineer/Store Incharge
5.3		Accept/Reject Material	Site Engineer/Store Incharge
5.4		Inspection of Material at Site & Store	Site Engineer
5.5		GRN Process	Store Incharge
5.6		Rejected Material to Supplier	Store Incharge

S. No.	Process	Content	Responsibility
5.7		Replacement of Rejected Material	Purchase Officer & Purchase Manager
5.8		All Documents Submission to Purchase	Store Incharge
5.9		Documentation/Records	Store Incharge
6	Bill Submission to Account		
6.1		Preparing & Processing Bill with Supporting Documents	Store Incharge
6.2		Bill Submission with Supporting Documents	Store Incharge
6.3		Bill acknowledgment from Account	Store Incharge
7	Supplier Payments		
7.1		Follow-up with Account for Advance Payment	Purchase Officer
7.2		Follow-up with Account for Bill Payments Verbally, by E-mail, by Note	Purchase Officer
7.3		Released Payment Status updates	Account Head
7.4		Debit Balance to be resolve	Purchase Officer & Purchase Manager
8	Rejected Material		
8.1		Documents for Material Return to Supplier	Store Incharge
8.2		Information to Supplier for Material Return and Replacement	Purchase Officer
8.3		Information of Material returned to Supplier and Replacement Received to the Store	Store Incharge
9	Vendor Evaluation		
9.1		Evaluation of Suppliers on the base of Quality, Price, Delivery, etc	Purchase Officer & Purchase Manager
9.2		New Vendor Development	Purchase Officer & Purchase Manager