



Grams : " PRAKASM BANK "

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**THE PRAKASAM DISTRICT COOPERATIVE CENTRAL BANK
LTD., NO. J. 551**

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P&D/Procurement File/2023-24

Dt: 29.12.2023.

Circular

Sub: P&D Section- Circulation of **Procurement policy** - Reg.

Ref: Bank MCR No:25 Dt:- 11.12.2023.

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Through the above reference cited, The Board of management has approved the **Procurement policy** of the bank.

Hence All the Section, Branch Heads and staff are directed to strictly follow the guidelines of the policy without any deviation.


General Manager

Enclosed: Procurement policy

Procurement Policy

Subject : To approve the procurement policy and purchase committee of the Bank.

Explanation:

1. Introduction:

Planning and Development of the Bank procures various items and undertakes works based on the need and requirement projected by departments and Branches complying to the extant guidelines and delegation of Powers issued by the Bank. However, to undertake procurements in a systemic manner and to have a uniform procedure, a detailed policy for procurement is necessitated. The procurement policy enumerates the detailed procedures for procurement and entrusting various works required to be undertaken in the Bank's Head office and its Branches.

2. Objective:

The objectives of bringing out the Policy are as under:

- (a) To introduce a uniform, systematic, efficient and broad procedure for Procurements undertaken by the Planning and Development of the Bank;
- (b) To make the procurements by Planning and Development as transparent as possible so as to bring out competition and fairness and to eliminate arbitrariness;
- (c) To introduce procurement systems for Planning and Development which will ensure quality of the procurement as also value for money;
- (d) To ensure timeliness, efficiency and accountability in the entire procurement cycle.

3. Approvals for Procurement/works:

- (a) The first step in any procurement is establishing the need for the purchase and firming up the requirement. The user departments shall obtain administrative approval from Board of Management duly explaining the need for procurement and approximate expenditure that may be incurred for the said procurement.
- (b) Post obtaining administrative approval, the user departments shall forward procurement requirement to Planning and Development through internal Communication/indent duly signed by DGM of respective department.
- (c) In respect of Branches, Branch Managers shall project requirements viz. providing Safe Deposit Lockers, Safes, Note counting machines, other office equipment, advertising material, campaigning, any Civil/Electrical/Interior repair works and all other requirements of the Branch to Concerned Department duly justifying the need. Concerned Departments shall obtain administrative approval of Board of

management after thoroughly examine the need and necessity of the requirements projected by Branches then upon approval the same shall be forwarded to Planning and Development through internal Communication/indent duly signed by Concerned DGM.

(d) For procurements and works not specific to particular department in Head Office and also which are general in nature like repairs in HO, procurement of furniture & fixtures and Office equipment for staff, construction of cabins, Upkeep and maintenance works, Miscellaneous works etc., the Premises and stationery section shall obtain administrative approval from Board of management duly justifying the need.

(e) For all Major procurements administrative approval from Board of management is mandatory. However, for minor procurements and repair works which are routine in nature, such administrative approvals may not be required. The following are some of the examples of routine works and procurements.

- Entertainment expenditure
- Miscellaneous expenditure
- Meetings arrangements expenditure
- Repair works in Head Office and Branches
- Rents – Accommodation, Hired vehicle
- Advertisement, Printing & Stationery, Newspapers, Magazines etc. Gifts & Novelties (Below Rs. 20,000)
- General Servicing of Vehicles
- DTH/Internet/ Telephone recharge Payments
- Staff allowances, agreement fee, Insurances, Outsourced staff monthly wages
- Photocopying/printing expenditure by departments

The above list is indicative but not exhaustive.

(f) The Planning and Development department upon receipt of internal Communication/indent from the DGM of concerned department, shall initiate the process of procurement and undertake the works as per the guidelines enumerated in the succeeding paragraphs.

A. Procurement Procedure:

(a) Procurement through Government e Marketplace (GeM) portal:

All procurements shall be made through GeM portal only as tabulated below:

Upto Rs. 25,000 /-	Through any of the available suppliers on the GeM, meeting the requisite quality, specification and delivery period
Above Rs. 25,000 /- and upto Rs. 5,00,000/-	Through the GeM seller having lowest price amongst the available sellers of at least three different manufacturers on GeM, meeting the requisite quality, specification and delivery period
Above Rs. 5,00,000 /-	Through the GeM seller having lowest price meeting the requisite quality, specification and delivery period after mandatorily obtaining bids, using online bidding or reverse auction tool provided on GeM.

However, Planning and Development may also purchase items from local vendors in the following cases:

- i) If certain item/service is not available on the GeM portal.
- ii) If the item specifications do not meet the requirement of the Bank
- iii) If the delivery period is more than usual and the items required urgently.
- iv) If the same item is available in local market for comparatively lesser price.
- v) For any other reasons, the department may purchase items from local vendors by placing the valid reasons before the purchasing committee.

(b) Procurement/undertaking works through local vendors:

As mentioned in the preceding paragraph, the following guidelines shall be followed if items are to be purchased from local vendors:

Upto Rs. 25,000 /-	Through any of the available suppliers, meeting the requisite quality, specification and delivery period without obtaining quotations.
Above Rs. 25,000 /- and upto Rs. 10,00,000/-	By inviting sealed quotations from at least three different sellers through publicizing in Bank's website. Such sealed quotations shall be opened/scrutinized by the Purchase Committee consisting of AGM(user department), DGM,GM of the

	Planning and Development section Chaired by the Chief Executive officer of the Bank .
Above Rs. 10,00,000 /-	By inviting sealed quotations through Tender Process publicizing in at least one local Newspaper & Bank's Website. Purchase Committee shall open sealed quotations.

- The Purchase Committee shall verify the quotations and finalize the least quoted bidder/vendor and place for the consideration of the Competent Authority (as per Delegation of Powers) for approval/sanction of proposed expenditure.
- Post approval/sanction of proposed expenditure by Competent Authority, Chief Executive Officer of the Bank shall issue work/purchase order to the qualified bidder/vendor.
- On acquisition of item or service, duly certified by the user department, payment shall be released after obtaining the approval from Chief Executive Officer of the Bank .
- For undertaking Civil/fabrication/Interior works viz. new Branch interior works, construction of cabins, providing shutters/Iron grills etc., such works shall be entrusted to Bank's consultant Civil Engineer for technical consultation, for preparing estimations and certification of completed works as per actual measurements.
- The Purchase Committee, at its discretion, may disqualify any of the participated firms if technically not qualified provided the Purchase Committee is satisfied with the reasons for disqualification.

5. Competent Authority:

- i) For Administrative Approval – Board of management
- ii) For examining the need for procurement – DGM of respective department
- iii) For opening of quotations - Purchase Committee (AGM(user department), DGM,GM of the Planning and Development section Chaired by the Chief Executive officer of the Bank)
- iv) For sanction of proposed expenditure – Chief Executive Officer
- v) For issue of work/purchase order – Chief Executive Officer

6. General guidelines for procurement:

- i) In case of procurement through GeM portal, the guidelines enumerated in General Financial Rules 2017 as amended from time to time shall be followed.
- ii) In case of procurement through local vendors, the sealed Bids/quotations opening date and time shall be informed to all the bidders. The Bids (technical /commercial) should be opened by the purchasing committee. If bidder

representatives are present for Bids opening, their signatures should be obtained on all sealed covers and all quotations.

- iii) In case single bid is received, the bids shall be re-invited. However, before issuing the second or subsequent invitations of bids, the department shall check whether, all the necessary requirements like standard bid enquiry conditions, industry friendly specifications, wide publicity, sufficient time for formulation of bids, etc., are fulfilled. If scrutiny reveals that all such aspects were not fully taken care of, then the deficiencies shall be rectified and the bid is to be re-issued/re-floated.
- iv) However, after scrutiny, it is found that all such aspects were fully taken care of and in spite of that there is only one responsive bid, re-bidding should be done if time permits.
- v) Even after re-bidding, only one bidder qualifies, the department may accept Single Tender in second or subsequent invitations/calls with the approval of competent expenditure sanctioning authority and work/purchase order may be placed on that bidder provided the quoted price is reasonable.

7. Safe Keeping of Bid Documents:

All procurements done by the department are subject to post audit by internal audit, statutory audit etc. Hence, all documents related to the procurement should be filed and kept systematically and safely including Tender opening register/bid documents. AGM (Planning and development) is responsible for safe custody of the aforesaid documents.

Availability of Budget:

Planning and development shall furnish Budget availability details obtained from Audit department in respect of subject expenditure while obtaining administrative approval and also at the time of seeking approval/sanction of expenditure from competent authority.

Terms & Conditions

- (a) No work or service shall undertake by Planning and development without administrative approval of Board of management other than for minor procurements and repair works that are routine in nature as explained at para 3 (e).
- (b) No work shall be split up merely to bring it within the powers of the lower competent authority. The entire expenditure pertaining to an event/a meeting shall be reckoned as a single expenditure and all bills shall be put up to competent authority for approval/sanction without any split.
- (c) Whenever procurements are made without adequate competition and while awarding works to the empaneled firms, it shall be ensured that the works are

entrusted/distributed, in a cyclical manner so as to provide equal opportunity for all the vendors in the panel.

- (d) Post approval/sanction of expenditure by competent authority, changes/ deviations are permitted only with the approval of concerned competent authority.
- (e) If the procurement/work is undertaken without Administrative approval or approval from competent authority, the same shall be placed for ratification after completion of the work with due justification.
- (f) The Concerned department shall ensure to comply with GST and TDS regulations before making payment to the vendors.
- (g) The department shall obtain GST bills if the firm is GST registered. However, if the firm is not a GST registered firm, the department may also accept without GST bills provided the firm comply with the rules and regulations of GST.
- (h) The department shall obtain computerized bills from the vendors. However, manual bills and receipts may also be accepted by the department for procurements such as Milk, Water, Fruits, Groceries, Stationery, Flower Bouquets, Shawls, Hardware, Electrical items, Banners & Pamphlets printing, labor charges etc.
- (i) The Branches may incur expenditure for minor repairs, maintenance etc., up to Rs. 2500/-with the budget allotted to every Branch. If proposed expenditure exceeds Rs. 2500/-, reimbursement may be claimed by the Branches from Planning and development(Premises and stationery).

8. Review and Monitoring:

Taking in to consideration of guidelines from NABARD/RBI/internal and external conditions, Chief Executive officer is authorized to make suitable changes to the policy from time to time.

Purchase Committee	
1.Chairman of the Committee	Chief Executive officer of the Bank
2.Member of the Committee	General Manager
3. Member of the Committee	Deputy General Manager
4.Convenor of the Committee	Assistant General Manager(User Department)

Hence the Procurement policy and Purchase committee is Placed before Person-in-Charge committee for approval


Chief Executive Officer(FAC)

M.C.R.No.25/dated 11.12.2023

Approved

SIL