



University of Hyderabad Purchase Policy and Procedures

FOREWORD

With a view to systematizing and streamlining the steps required to be taken in the process of acquisition of equipment, machinery, material and services, an effort was first made in December 2002 by compiling and bringing out the booklet titled "Purchase Policy of University of Hyderabad". It was amplified by small amendments to take care of new and emerging situations. During the course of time, this strategy and approach had helped a lot in achieving the desired result.

Four years have elapsed since this purchase policy and procedure was evolved and introduced. Necessity was felt to modify, improve and update it based on (i) inflationary trends (ii) experience gained and (iii) noteworthy expansion, diversification and increase in the academic activities of the University, more particularly in the field of research.

With a view to modifying, improving upon and updating this booklet, efforts were made, intensive and extensive study of the existing systems and procedure was done and wide discussions were held with the teaching and non-teaching members of this University, more particularly, with the Deans' Committee. As a result of these allround efforts, this edition of the "Purchase Policy and Procedure" could be brought out. With a view to making this booklet user friendly, a host of improvements in the existing clauses have been made, new clauses have been introduced in line with the provisions of General Financial Rules of Govt. of India (2005), existing formats have been improved, new formats have been brought out and required information has been made available. Users would feel that this second step in the direction of systematizing and streamlining is surely an improvement upon the first step which was taken way back in December 2002.

Though enough care has been taken to bring upon the desired level of perfection, still scope of improvement can be visualized. Hence, all the teaching and non-teaching members of this University may please keep on sending their valuable suggestion, so that they may be taken care of while bringing out the next edition so that the third edition may become better than the first two editions.


Vice-chancellor

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UNIVERSITY OF HYDERABAD
POLICY & PROCEDURE FOR PURCHASE OF STORES, EQUIPMENTS, SERVICES etc.

Following guidelines are issued for observance while procuring the required items such as machinery, equipment, furniture, chemicals, stationery, services (such as repairs and maintenance) etc., required by the Schools/Departments/Centres (academic) of the University and by the Office Administration (other than academic).

I. *Financial Sanctions to Purchases:*

Constitution of Purchase Committee (PC)

A Purchase Committee, separately for each Academic Department, Research Centre, Study Centre, Other Functional and Administrative Department, is to be constituted every 2 years, comprising of the following:

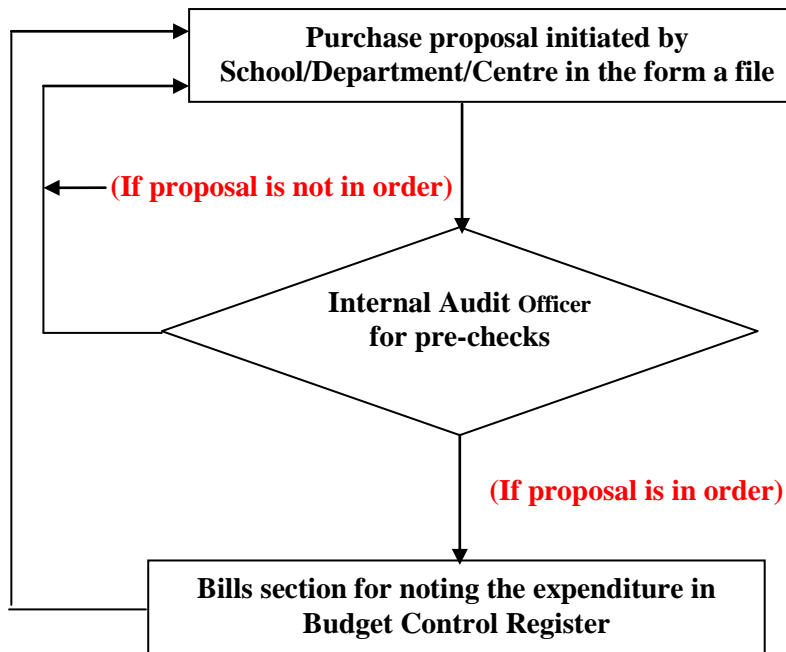
1.1

In respect of Schools	
i	Dean (Head of the Committee)
ii	Concerned Head of the Dept. / Head or Co-ordinator of the programme (for multi-discipline Schools)
iii	1 or 2 Professors*
iv	1 Reader*
v	1 Lecturer*
* To be nominated by the Dean , preferably the senior most persons by rotation. Note: Wherever felt necessary, Dean or Head of any other Purchase Committee may invite expert(s)	

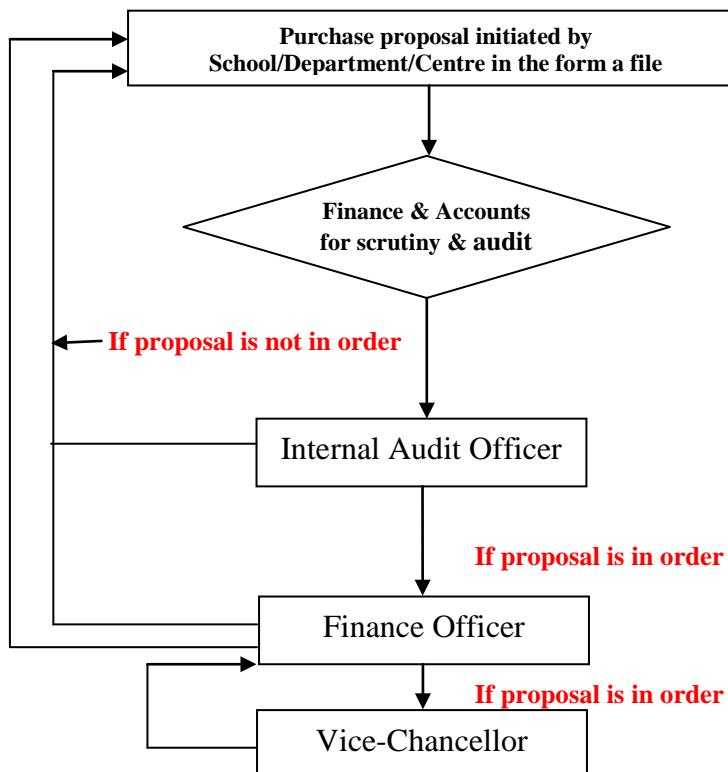
- 1.2** For the Library, the Library Committee will decide the constitution of the PC.
- 1.3** For the Central Instrumentation Lab (CIL) & the Computer Centre (CC), the Advisory Committee will also be the PC.
- 1.4** For the Study India Program, the Core Committee will also be the PC.
- 1.5** In the case of Interface Programs, co-ordinating Committee will also be the PC.
- 1.6** In the case of Centre for Distance Education, there will be as many Purchase Committees as number of courses. Each such Purchase Committee would comprise of (i) Director, (ii) concerned Course Co-ordinator and (iii) any three other Co-ordinators.
- 1.7** The Purchase Committee of an independent Research Centre (such as ACRHEM, CESS etc.) will consist of five members drawn from the Advisory Committee.
- 1.8** In the case of Chief Warden Office, Purchase Committee would comprise of (i) Chief Warden, (ii) Dy. Chief Warden, (iii) two wardens from Men's Hostels & (iv) one warden from Ladies' Hostels.
- 1.9** In respect of non-academic Departments, Central Purchase Committee System will be followed.

Flowchart of Purchase proposal files

A. Purchase proposals from 2 lakhs upto Rs. 5 lakhs
(as per item (ii) of delegation of Financial Powers)



B. Purchase proposals above Rs. 5 lakhs
(as per item (iii) of delegation of Financial Powers)



2. Delegation of financial powers:

2.1 At all levels (Schools , Other Academic and Non-academic Depts.)

<i>Clause</i>	<i>Nature of Expenditure</i>	<i>School / Department</i>	<i>Proposed Financial Power</i>
2.1.1	Purchase of equipment, material & service for academic departments (other than projects)	1) Heads of Departments 2)Deans	1) Upto Rs.1.00 lakh 2(a) Upto Rs.2.00 lakh b) Above Rs.2.00 lakh and upto Rs.5.00 lakh, on the recommendation of the Purchase Committee. <i>Pre-check by IAO is required before placing Pur.Order.</i> c) Beyond Rs.5.00 lakh, with the approval of the Vice-chancellor <i>(Duly routing the proposal through F&A, IAO and F.O.)</i>
2.1.2	Purchase of equipment, material & services for sponsored projects / SAP/COSIST / FISTetc.	1) Project Investigators, co-coordinators 2)Deans >	1) Upto Rs.1.00 lakh 2(a) Upto Rs.2.00 lakh b) Above Rs.2.00 lakh and upto Rs.5.00 lakh, on the recommendation of the Purchase Committee. <i>Pre-check by IAO is requiring before Pur.Order.</i> c)Beyond Rs.5.00 lakh, with the approval of the Vice-chancellor <i>(Duly routing the proposal through F&A, IAO and F.O.)</i>
2.1.3	Purchase of equipment, material & services for academic departments other than Schools	1)Director/ CDE 2)Director / SIP 3)Director / ASC 4)Director / CC 5) Head / CIL 6) Head /CNF	i) Upto Rs.1.00 lakh ii) Above Rs.1.00 lakh and upto Rs.5.00 lakh, on the recommendation of the Purchase Committee. <i>Pre-check by IAO is required before Pur.Order..</i> iii)Beyond Rs.5.00 lakh, with the approval of the Vice-chancellor <i>(Duly routing the proposal through F&A, IAO and F.O.)</i>
2.1.4	Purchase of equipment, material & services for non-academic departments including U.W.D.	1)Registrar (In respect of all the depts. under his control) 2)C.E.	i) Upto Rs.1.00 lakh/- ii) Above Rs.1.00 lakh and upto Rs.5.00 lakh lakh, on the recommendation of the Central Purchase Committee. <i>Pre-check by IAO is required before placing Pur.Order.</i> iii)Beyond Rs.5.00 lakh, with the approval of the Vice-chancellor <i>(Duly routing the proposal through F&A, IAO and F.O.)</i>
2.1.5	Purchase of equipment, material & services for non-academic departments	Chief Warden (Office maintenance and hostels maintenance)	i) Upto Rs.1.00 lakh/- ii) Above Rs.1.00 lakh and upto Rs.5.00 lakh, on the recommendation of the Purchase Committee. <i>Pre-check by IAO is required before Pur.Order.</i> iii)Beyond Rs.5.00 lakh, with the approval of the Vice-chancellor <i>(Duly routing the proposal through F&A, IAO and F.O.)</i>

2.1.6	Purchase of equipment, material & services for non-academic departments	Finance Officer	<p>i) Upto Rs.10,000/-</p> <p>ii) Beyond Rs.10,000/- and upto Rs.5.00 lakh, on the recommendation of the Central Purchase Committee.</p> <p>iii) Beyond Rs.5.00 lakh, with the approval of the Vice-chancellor (Duly routing the proposal through F&A, IAO.)</p>
2.1.7	Purchase of equipment, material & services for non-academic departments – Engineering Department	<p>1)A.E. ></p> <p>2)E.E. ></p> <p>3)U.E. ></p>	<p>Rs.5,000/-</p> <p>Rs.10,000/-</p> <p>Upto Rs.50,000/-</p>
2.1.8	Purchase of equipment, material, medicines & services for non-academic departments - Health Centre	<p>1)C.M.O. ></p> <p>2)Chairman, HealthCentre ></p>	<p>1. Upto Rs.10,000/-</p> <p>-----</p> <p>2. (a) Upto Rs.50,000/-</p> <p>b) Above Rs.50,000 and upto Rs.1.00 lakh, on the recommendation of the Central Purchase Committee <i>Pre-check by IAO is required before Pur.Order.</i></p> <p>iii) Beyond Rs.1.00 lakh, with the approval of the Vice-chancellor (Duly routing the proposal through F&A, IAO and F.O.)</p>
2.1.9	Purchase of equipment, material & services for non-academic departments - Students Welfare	<p>1) D.S.W.</p> <p>2) D.P.E. (sports & Horticulture)</p> <p>3)Head/ Placement Cell</p> <p>4)Head/ CWS</p>	<p>i) Upto Rs.30,000/-</p> <p>ii) Above Rs.30,000 and upto Rs.1.00 lakh, on the recommendation of the Central Purchase Committee. In the absence of D.P.E., Chairman of the Sports Committee. <i>Pre-check by IAO is required before Pur.Order.</i></p> <p>iii) Beyond Rs.1.00 lakh, with the approval of the Vice-chancellor (Duly routing the proposal through F&A, IAO and F.O.)</p>
2.1.10	Purchase of equipment, material & services for Library	Librarian	<p>i) Upto Rs.50,000/-</p> <p>ii) Above Rs.50,000 and upto Rs.1.00 lakh, on the recommendation of the Purchase Committee. <i>Pre-check by IAO is required before Pur. Order.</i></p> <p>iii) Beyond Rs.1.00 lakh, with the approval of the Vice-chancellor (Duly routing the proposal through F&A, IAO and F.O.)</p>
2.1.11	Purchase of books, journals & periodicals as recommended by Deans / Heads of teaching departments	Librarian	<p>1) Full powers to purchase books upto the amount allocated by the Library Committee and the Vice-Chancellor, subject to the check by F&A at the time of making payments.</p> <p>2) However, in respect of journals, pre-check of the purchase proposal by the F&A is required.</p>

2.2 At Research Centres Level: UoH has established following 5 Research Centres, each under the charge of a Professor-in charge: Financial powers to the professors-in-charge of these Centres have now been determined, which are as follows:

Sl. No.	Name of the Centre	Name of the Prof-in-charge / Director	Proposed Financial Power
2.2.1	Advance Centre of Research in High Energy Material	Prof. S.P.Tiwari	i) Upto Rs 2.00 lakh ii) Above Rs.2.00 lakh and upto Rs.5.00 lakh, with the recommendation of the Purchase Committee. <i>Pre-check by IAO is required before Purchase Order..</i> iii) Beyond Rs.5.00 lakh, with the approval of the Vice-chancellor <i>(Duly routing the proposal through F&A, IAO and F.O.)</i>
2.2.2	Centre for Modeling, Simulation and Design (CMSD & HPCF)	Prof. Arun Agarwal	i) Upto Rs.2.00 lakh ii) Above Rs.2.00 lakh and upto Rs.5.00 lakh, with the recommendation of the Purchase Committee. <i>Pre-check by IAO is required before Purchase Order.</i> iii) Beyond Rs.5.00 lakh, with the approval of the Vice-chancellor <i>(Duly routing the proposal through F&A, IAO and F.O.)</i>
2.2.3	Centre for Cognitive Science	Prof. Vipin Srivastava	i) Upto Rs.1 lakh. ii) Above Rs.1 lakh and upto Rs.5.00 lakh, with the recommendation of the Purchase Committee <i>.Pre-check by IAO is required before Purchase Order.</i> iii) Beyond Rs.5.00 lakh, with the approval of the Vice-chancellor <i>(duly routing the proposal through F&A, IAO and F.O.</i>
2.2.4	Centre for Earth & Space Sciences	Prof. K.VSubba Rao	i) Upto Rs.1.00 lakh ii) Above Rs.1 lakh and upto Rs.5.00 lakh, with the recommendation of the Purchase Committee <i>.Pre-check by IAO is required before Purchase Order..</i> iii) Beyond Rs.5.00 lakh, with the approval of the Vice-chancellor <i>(Duly routing the proposal through F&A, IAO and F.O.)</i>
2.2.5	Advance Research Centre on Ageing and Brain	Prof. Kalluri Subba Rao	i) Upto Rs.1.00 lakh ii) Above Rs.1 lakh and upto Rs.5.00 lakh, with the recommendation of the Purchase Committee <i>.Pre-check by IAO is required before Purchase Order..</i> iii) Beyond Rs.5.00 lakh, with the approval of the Vice-chancellor <i>(Duly routing the proposal through F&A, IAO and F.O.)</i>

NOTE: In future, newly created Centres shall follow the above mentioned pattern.

Important Notes under para 2:

- a) The powers detailed in Para 2 above can also be exercised by the respective authorities for the purpose of fabrication, repairs / maintenance, services , printing etc.
- b) Sanction of the VC shall be required for items not covered above.
- c) All the Deans, Heads, Officers etc. to whom the above mentioned financial powers have been delegated are required *to ensure that expenditure remains within the budget allotment. Otherwise bills are liable to be held up.*

- d) All the proposals pre-checked by IAO, should be sent to the concerned Section Officer, Finance & Accounts Section for noting the commitments in the Budget Control Register. **The Section Officer should re-transmit the same to the concerned proposer within two working days after making an endorsement on the proposal file itself 'commitment noted on page No... of the Budget Control Register'.**
- e) Random post-audit by the Internal Audit of all such proposals should be ensured where pre-audit by I.A.O. has not been suggested
- f) Financial powers / limits mentioned in Para 2 above are equally applicable in cases of DGSD rate contract purchases also.
- g) **Rush of expenditure** at the fag end of the financial year is to be avoided.

3. **Purchase Procedure**

(Please refer the check list at Annexure 10)

3.1 ***Calling for quotations:***

3.1.1 Purchases upto Rs.10,000/- : without calling for quotations but after satisfying that the items purchased or services acquired are of requisite quality / specification and have been purchased from a reliable supplier at a reasonable cost..

3.1.2. Purchases above Rs.10,000/- and upto Rs.50,000/- :

Minimum 3 quotations are to be called for.

3.1.3 Purchases above Rs.50, 000/- and upto Rs.5.00 lakh:

Notice inviting quotations should be sent to minimum 6 firms as far as practicable. Such quotations should be obtained either from the manufacturers directly or authorized dealers / distributors who are registered with the Commercial Tax Department of the respective State (for VAT purpose)

3.1.4 Purchases above Rs.5.00 lakh/-

Quotations should be obtained by giving wide publicity in the local newspapers. (One or more news papers as situation may demand) in the classified column in respect of stores / consumables.

In respect of scientific equipment and related items, tendering through websites system may also be resorted to in addition to news paper advertisement.

3.1.5. Quotation, as far as possible, should be called for from the original manufacturers / principals / reputed and regular dealers only. In cases where quotations are obtained from the agents, a letter of authorization or dealership from the principal is required to be obtained.

3.1.6 To ensure sound financial status, the manufacturer / suppliers are to be asked to mention in the quotation their valid Sales Tax / VAT / Service Tax / PAN registration references.

3.1.7.A Contents of Bidding Document Or Notice Inviting Quotation : All the terms, conditions, stipulations and information to be incorporated in the bidding document / NIT / NIQ are to be shown in the appropriate clauses as suggested below :-

Clause 1: Schedule of Requirements / Scope of Work

Clause 2: Specifications and allied Technical Details.

Clause 3: Price Schedule (to be utilized by the bidders for quoting their prices).

Clause 4: Commercial Conditions

Clause 5: General Conditions of Contract / Tender / Quotation.

Clause 6: Contract Form / Agreement Form

Clause 7: Instructions to Bidders.

Clause 8: Other Standard Forms, if any, to be utilized by the purchaser and the bidders.

Clause 9: Warranty and post warranty maintenance

Note 1: These are the standardized clauses and the purchaser proposer may modify / add suitable clauses depending upon the requirement.

Note 2 Notices Inviting Quotation / Tender are required to be sent either 'under certificate of posting' or 'through Speed Post'.

Note 3: University is having **Central Excise Duty** exemption on few identified indigenous products. (i) This fact may be included as a clause in the notice inviting quotations of such products. (ii) In respect of Excise Duty Exempted products, quotations should be called for from the original manufacturers with a view to avail the benefit of exemption.. (ii) However, in case, if it has been made obligatory by the manufacturer to make purchases of these Excise Duty Exempted items through the manufacturers' authorized dealers, then the concerned dealer(s) may be requested to obtain Central Excise Duty exemption from their manufacturer in favour of the University.

Central Excise Duty exemption is available on the following types of products only:

- (i) Scientific and Technical instruments, apparatus, equipment (including computers).
- (ii) Accessories, parts and consumables of the first mentioned products.
- (iii) Computer Software, CD ROM, recorded magnetic tapes, microfilms, microfiches,
- (iv) Prototype

Note 3 : University is **partly exempt** from payment of **Customs Duty** (rate of Customs Duty payable during the financial year 2007-08 is 5.15% of CIF value (5 of CIF is basic duty + 1% of 5% is Education Cess + 1% of 5% is Secondary Education Cess) . This fact may be included as a clause in the notice inviting quotations of the following types imported products only:

- (a) Scientific and Technical instruments, apparatus, equipment (including computers).
- (b) Accessories and spare parts and consumables of the goods specified in (a) above.
- (c) Computer Software, CD ROM, recorded magnetic tapes, microfilms, microfiches.
- (d) Prototypes.

- 3.1.8** Periodically, say once in a quarter, the UoH website address will be published in news papers to inform the potential suppliers. (Action: Web-master).
- 3.1.9** Quotation submitted through FAX can be accepted provided that it is followed by hard copy (this facility would be available in case of Single Bid System).
- 3.1.10** In the case of scientific / sophisticated / advanced type of equipments. Where information about the manufacturer or supplier, technical specifications and cost etc. is obtained through INTERNET SEARCH, quotation may be called for from such firms that satisfy the requirements / specifications laid down by the indenter in the call letter inviting quotations. Simultaneously, the other modes / means of obtaining quotations from the manufacturers / suppliers, tendering through website system is required to be followed.

3.1.12 Modus of calling for quotations / tenders

- a) Open Tender
- b) Limited Tender
- c) Single Tender
- d) Proprietary Tender
- e) Branded items
- f) DGSD Rate Contract items

a) Open Tender:

- (i) Advertisement is required to be given in the news paper(s) and
- (ii) Post the complete bidding document in the website so as to enable the prospective bidders to make use of the document downloaded from the website. Minimum of 21 days should be allowed for submission of bids from the date of publication / placement on website. Monetary limit of Rs.5.00 lakh prescribed in Para 3.1.4 and time allowed can be increased or decreased depending upon the situation, for which justification is required to be kept on record.

b) Limited Tender:

- (i) This method may be adopted when the estimated value of goods is upto Rs. 5 lakhs,
- (ii) copies of bidding document are required to be sent directly by UCP / speed post / Regd. Post / Couriers / e-mail to the identified firms which are borne on the list of registered suppliers and
- (iii) web based publicity should be resorted to in this type of tendering also.

b.1) The Limited Tender system may be adopted even where the estimated value of the procurement is more than 5 lakhs in the following circumstances:

- (a) The competent authority (depending on the purchase powers) certifies that the demand is urgent and any additional expenditure likely to be involved due to not procuring through advertised tender enquiry, is justified in view of urgency.
- (b) The sources of supply are definitely known and possibility of fresh sources beyond these being tapped is remote.

c) Single Tender:

Procurement from single source may be resorted to in the following circumstances. Reason / justification is to be recorded.

- (i) It is in the knowledge of the user department that only a particular firm is the manufacturer of the required goods / products / items.
- (ii) No other make or model is acceptable for the reasons given or stipulations made by the indenter
- (iii) For standardization of existing machinery or spare parts to be compatible to the existing sets of equipment, the required item is to be purchased only from a selected firm or from the manufacturer.

d) Proprietary Tenders:

A certificate by the purchaser / indenter declaring that the items / article proposed to be purchased is proprietary in nature, is required to be given in the following circumstances. (Wherever required, a certificate may be obtained from the manufacturer or supplier).

- (i) Where indented or required item / article are solely manufactured by a single manufacturer viz... and that no other firm manufactures the said item / article with the same specifications.
- (ii) No other make or model is acceptable for the reasons given or stipulations made by the indenter / purchaser.
- (iii) As far as possible, the purchase of propriety items should be from those available under DGS&D Rate Contract.
- (iv) It may be kept in view that items / articles merely with a particular '**brand name**' cannot be treated as '**proprietary items / articles**'.

e) Branded Items:

- i) Indenter / purchaser may record full justification as to why a particular branded has been preferred.
- ii) For such purchases, quotations are required to be called for either from the manufacturer or from the authorized dealers only, with a view to get price advantage.
- iii) As far as possible, the purchase of propriety items should be from those available under DGS&D Rate Contract

f) DGSD Rate Contracts:

DGSD concludes rate contracts with the registered suppliers for goods or standard type of items (which in the nature of common use items) and are needed on recurring basis by various departments. This rate contract facility can be made use of to the extent possible / required. Financial limits / powers as

mentioned in Para (2) are equally applicable in case of DGSD rate contract purchases also.

3.1.13 Two bid system:

For purchasing high value plant, machinery etc., of a complex and technical nature, bids may be obtained in two parts as under:-

Part (a): Technical bid consisting of all technical details along with E.M.D wherever applicable.

Part (b): Financial bid indicating item-wise price for the items mentioned in the technical bid along with commercial terms and conditions.

The technical bid and the financial bid should be sealed by the bidder in separate covers duly superscribed and both these sealed covers are to be put in a bigger cover which should also be sealed and duly superscribed. The technical bids are to be opened by the Technical Committee at the first instance and evaluated by a competent committee or authority so constituted for this purpose. Based upon the recommendations of the Technical Committee, at the second stage, financial bids of the technically acceptable offers only should be opened for further commercial evaluation, ranking and negotiation before awarding the contract.

3.1.14 Late Bids : In the case of advertised tender enquiry or limited tender enquiry, late bids (i.e. bids received after the specified date and time for receipt of bids) should not be considered.

3.1.15 Tendering through Website:

- (a) World wide publicity by putting the complete specifications on the University Website is required to be resorted to.
- (b) Soft copies of the website records are required to be maintained by using archival techniques.
- (c) After obtaining the quotation through website, the usual purchase procedure is required to be followed.
- (d) Periodically, say once in a quarter, the UoH website address will be published in new papers to inform the potential suppliers. (Action: Web-master).

4. Opening of quotations and preparation of Comparative Statements:

4.1 As soon as the last date for receipt of quotations is over, each envelope containing the quotations should be initialed and serially numbered and then opened by the purchase proposer in the presence of two to three members (depending upon the value of quotation) (preferably from the Purchase Committee). The representatives of the firms

may be allowed to be present on the specified date where substantial amount of purchases is involved, say above Rs.25,00,000/-. Dated initials of all the members present while opening the quotations should be obtained on each page of the quotation duly highlighting the corrections if any, in the quotation.

4.2 A Comparative Statement of the rates quoted by each firm is required to be prepared simultaneously. A list of quotations which are not considered for inclusion in the Comparative Statement is to be prepared duly recording the reason(s) for non inclusion.

4.3 Following precautions are required to be taken while preparing a comparative statement.

- a.** Basic rate of each item and the taxes, insurance, freight etc., are required to be exhibited in the comparative statement. In case spares / attachments also are being purchased along with the main equipment, then separate column may be opened for these items. This would facilitate comparison. Wherever discount has been offered, it may be indicated under the 'total' column with a view to arrive at the net cost quoted.
- b.** Special conditions relating to payment, place of delivery of articles, time schedule for supply, warranty, any other charges etc., are required to be noted in the comparative statement. Monetary value of all the items is to be included when arriving at net cost quoted.
- c.** The dated signatures of the officials preparing and checking the comparative statement are invariably required to be enclosed on the comparative statement.
- d.** Reasons / justification for rejecting the lowest quotations, if any, should also be recorded on the comparative statement.
- e.** Late quotations (i.e. quotations received after the specified time of opening), delayed quotations (i.e. quotations received before the time of opening but after the due date and time of receipt of quotations) and post quotations offers, should not be considered.

4.4 When the quotations are under examination, no other authority should be allowed to make queries or call for reports or exercise any sort of influence, as it is improper and would lead to delays in taking correct decisions.

4.5 Validity of quotation should be sufficiently longer, say upto 60 days, so that the proposal can be processed without any need for seeking re-validation.

4.6 From among those suppliers meeting all the specifications prescribed by us, the one who has quoted the lowest may be called for **negotiation**, if felt necessary.

5. Documents required to be kept in any purchase proposal file:

A neatly arranged and prepared file (not loose sheets), serially numbered, may be opened, keeping the following documents therein:

- a) Notice inviting quotations / tenders **and / or** a report of survey conducted.

- b) Copy of 'in principle approval', if available.
- c) Quotations / bids received (all in original)
- d) Report of the Technical Committee (in the case of two-bid system).
- e) Comparative Statement(s) – pre-negotiation and post-negotiation, signed by the proposer on each.
- e) Purchase Proposal' in the prescribed format (see Annexure), duly obtaining the signatures of the Purchase Committee members (wherever required).

6. Placing Purchase Orders:

6.1 All proposals which require approval of the appropriate authorities (VC / Registrar / Deans / Heads of Department etc.) Empowered to sanction the expenditure, are required to be submitted to them duly complying the formalities stated in para 5 above. After obtaining the sanction for purchases, the official initiating the proposal is to prepare the Sanction Order (format given at Annexure – II)

Note:

- (i) **Splitting of the quantities** to be purchased, so as to bring them within the sanctioning powers of lower authority is not permitted under any circumstances.
- (ii) **In principle approval** of the Vice-Chancellor / Pro-Vice-Chancellor is required before initiating purchase proposal of (i) furniture items (*beyond Rs.10,000/-*) (ii) air conditioner (iii) laptop (iv) digital video camera. This procedure is applicable in respect of purchases from the 'maintenance (non-plan)' and 'development (Plan)' budgets. In respect of the 'project budget' it is, however required to be ensured that a provision for such purchase(s) exists in the project sanction order.

6.2 As soon as approval of the appropriate authority is obtained for purchase of the articles etc from a particular firm, a purchase order should be placed on the firm duly specifying the terms & conditions of the University within the currency of the quotation by the indenter. The enclosed form (Annexure III) may be used for placing purchase orders giving the reference of the Sanction Order. Acknowledgement of purchase order is to be obtained from the party. Each purchase order should be assigned a separate serial number in each financial year commencing from serial number one on 1st April and ending the last serial number on the 31st March. For this purpose a Purchase Order Register should be maintained.

Maintenance of a Purchase Order Register is mandatory and Internal Audit should ensure about it. A review of pending purchase orders should be made periodically and necessary follow up action taken with the firms concerned for expediting the supplies.

- 6.2.1** A copy of the purchase order/work order/service order may be sent to Bills Section / Projects Section as the case may be so that while admitting the bill for payment, they may be linked with the P.O. and make an endorsement as paid & cancelled. The unpaid P.O.s will be reviewed at the end of 31st March and report given to Accounts Section quantifying the outstandings to account for them as O/S Liabilities in the Balance Sheet.
- 6.3.** On receipt of the equipment etc, the indenting official shall take steps for installation and commissioning. Upon satisfactory commissioning, suitable entries in the **Assets Registers** (in respect of durable and long life items) or in the **Stock Register** (in respect of consumable items) shall be made. These details are required to be noted on the back side of the invoice / bill with proper attestation bearing full signature with date and stamp. .
- 6.4** As regards the purchase for Projects by the respective Project Investigators, a copy of the purchase order and invoice may be marked to the Dean / Head, so that the stock register is periodically updated by the School Office on receipt of the same.
- 6.5** The F&A should send a copy of the cheque forwarding memo to the user department to update the Bills Register.

7. Special precautions to be taken in respect of imported items :

Following special precautions should be taken while making imports.

- 7.1.1** Stores / Equipment shall be supplied against Open General License (OGL), which are not included in the negative list to Import & Export Policy of Govt. of India.
- 7.1.2** As far as possible direct purchase from the foreign manufacturers, (Principals) should be resorted to.
- 7.3** Where intermediary agencies / local representatives of the foreign manufacturers / suppliers are involved in the import of foreign goods, an authorisation letter / certificate to this extent is required to be obtained. No agency commission is required to be paid to such intermediary agencies / local representatives. This aspect is required to be made clear in the Notice Inviting Quotations / Tenders as well as in the Purchase Order.
- 7.4** Customs Duty exemption available to the University (in accordance with relevant statutes / rates as applicable from time to time) shall be mentioned in the enquiries and purchase orders.

7.5.1 L.C is to be opened only after receiving the acknowledgement of Purchase Order and Agreement from the Manufacturer / Supplier.

Following documents are required to be attached to the L.C. / T.T. proposal:

- 1) Copy of the purchase proposal approved by the competent authority.
- 2) Copy of the Purchase Order.
- 3) Order Acknowledgment.
- 4) Proforma invoice containing the terms and conditions.
- 5) Form A1 / A2.
- 6) Letter addressed to the S.B.I. , Hyderabad, in the prescribed form. It will however be issued by the Finance Officer.
- 7) Copy of the Agreement (wherever applicable)
- 8) L.C. Guarantee Form

7.6 Total value for the supply of Equipment as far as possible should be on Free on Board (FOB) basis only. Insurance & Freight charges will be paid in Indian Rupees (as far as possible). However, if CIF value is proposed (wherever necessary), then justification for the same is required to be given.

7.7 The supplier shall be responsible for obtaining necessary Export License /Permit/ Authorisation from the respective Government for exporting the Materials / Stores / Equipment to India, and all expenses incidental to the execution of statutory and non statutory obligations in this regard shall be to supplier's account.

7.8 In case of LCs, bank charges outside India including confirmation charges, if any, shall be to the supplier's account. The documents for payment shall be presented to the purchaser's bank by the supplier within 21 days of shipment of Stores / Equipment.

7.9 The payment terms shall be as follows:

7.9.1 90% of the order value would be released through LC upon shipment of store / equipment and on presentation of the following shipping documents.

- a. Signed commercial invoice
- b. Original Airway bill or House Airway bill.
- c. Packing list
- d. Test Certificate
- e. Supplier's certificate to the effect that the contents in the case/package are not less than those entered in the invoice and packing list.

- 7.9.2.1** Balance 10% would be released after submission of final acceptance certificate issued by the University of Hyderabad and receipt of the invoice for the 10%.
- 7.9.2.2** (i) Where there is no Indian agent and no installation is involved, 100% of the order may be paid and released through LC.
- (ii) When value of any import is less than Rs.5.00 lakh and the foreign manufacturer / supplier insists upon 100% payment (as per the terms of quotation) then such a request can be acceded to.
- 7.9.2.3** Performance Bank Guarantee (PGB) may be obtained from the supplier/agent and valid for a period of one year from the date of satisfactory installation and commissioning.
- 7.9.3** Foreign currency payments are to be made as per the RBI conversion rates. For Library, the exchange rate would be either GOC rates or at RBI Rates.
- 7.9.4** Letters of Credit opened for purchase of imported goods should be entered in a separate register by the School/Department (academic and non-academic). The payments made against the letter of credit should be noted in the register as and when the intimations are received from the Bank. **Internal Audit would ensure about maintenance of such a register.**
- 7.9.5** The purchases of spares, consumables, journals, books, membership subscription, and software costing upto US \$ 5,000 may be made on foreign drafts / telegraphic transfers. As and when the credit card system is available with the University e-purchase mode may be considered. Such payments should also be entered separately in the LC Register to watch the delivery of the goods.
- 7.9.6** Steps should be taken to ensure that the imported items are cleared through Customs immediately. The F&A section is required to process the bills regarding Customs Duty, freight charges and insurance within 2 working days, to avoid demurrage charges. All payments towards demurrage wharfage upto Rs.10,000/- sanctioned by the Deans/HoDs/Co-Ordinators of COSIST/SAP under the powers vested upon them, should be **reported** to the Vice-chancellor detailing the circumstances under which demurrage charges had to be incurred. Vice-Chancellor's **prior sanction** should be obtained for payment of demurrage/wharfage charges beyond Rs.10,000/-.
- All such cases shall be reported to the Finance Committee and Executive Council for information.

- 7.9.7.** Pre-installation including site preparation requirements may be obtained from the supplier, well before commencement of installation process.
- 7.9.8** Suitable mechanism should be evolved to detect damages if any, in the imported equipments at the time of inspection and to prefer claims with Insurance Companies, Suppliers etc., well in time.

8. Making Advance Payments:

- a) Any condition from the supplier for advance payment would not normally be acceptable (more particularly in the case of maintenance contracts), except in exceptional circumstances and situations.
- b) Sufficient safeguard (such as Bank Guarantee) is required to be ensured. However, in the case of Maintenance Contracts, a Bank Guarantee of an equal amount is a must.
- c) Deans, Professors-in-charge, Heads, Directors etc. can sanction / approve advance payment upto their respective financial powers (as detailed in Para 2).
- d) However, for making advance payments beyond their financial power, approval of the Vice-chancellor / Pro-Vice-chancellor is required (duly routing the file through Finance Officer).
- e) Full responsibility for adjustment / recovery of advance payment rests with the recommending authority.
- f) Details of advance payments made should necessarily be recorded in Purchase Order Register. Contents of the Para 6.2 may be referred to wherein maintenance of Purchase Order Register has been made compulsory.

- 8.1** Whenever advance payments are made based on proforma invoice, the receipt of materials along with delivery challans and regular invoices etc. should be carefully watched. Soon after the receipt of articles necessary adjustments bills should be drawn giving reference to Stock Register / Assets Register page No. and Item No. in the invoices concerned to clear the outstanding under “Advance Payments”.

9. Payment of small amounts in foreign currency:

Payments in foreign currency upto the financial powers vested with the respective sanctioning authority, in respect of the following items of expenditure, can be made at the responsibility of the proposer. Payment proposal in foreign currency over and above this limit need approval of the Vice-chancellor (duly routing the proposal through the Finance Officer).

- i) Subscription / renewal of subscription to Scientific Organisations / Academic Societies etc.
- ii) Subscription for foreign journals.
- iii) Import of consumables.
- iv) Towards services rendered by foreign agencies.
- v) Examiners' fees / thesis valuation fees etc.
- vi) Library: Upto US\$ 5,000/- (or its equivalent with due approval of the Library Committee)

Important:

- (i) Payment through credit card is required to be made only in emergency situation, since reconciliation of the accounts for such expenditure become difficult later.
- (ii) Subscription to journals, scientific organizations,, academic societies may be done in the name of the School concerned, so that the record of such subscriptions is available at a central location.

9.1 Payment by credit card is permitted for miscellaneous expenditure on foreign currency incurred on books, conference registration, journal and association subscription and such other items:

- a. upto and equivalent to INR 50,000/- by Deans ;
 - b. upto and equivalent to INR 30,000/- by Principal Investigators for Projects.
- (EC resolution dt. 15.04.2005 circulated by EF&L Section on 09.06.2005.)

10. Executing an Agreement:

An agreement should always be entered into with the suppliers while placing orders for purchase of costly equipment (value exceeding Rs.5.00 lakhs) incorporating therein the following clauses:

- a. Value of purchase, basic price, taxes and duties and discount.
- b. Mode of delivery
- c. Cost of transportation and transit insurance
- d. Mode of payment
- e. Time schedule for supply
- f. Interest/penalty if any chargeable for belated supplies
- g. Arrangements for inspection and testing
- h. Arrangements for installation
- i. Guarantee/Warranty period
- j. Arrangements for servicing/calibration/maintenance
- k. Arrangements for training of personnel
- l. Maintenance and supply of spares.
- m. Security Deposit/Bank guarantee, if any, required
- n. Failure to comply with the agreement terms - payment of compensation to the University.
- o. Technical specification as given in the Purchase Order.
- p. Arbitration Clause.

Suggested proforma is at Annexures VI and VII. Slight modification(s) can be made to meet the requirement of the situation.

Any Agreement is required to be signed by the Register. Papers to be routed through the Internal Audit Officer.

10.1 Performance bank-guarantee:

Following two alternatives are available depending upon the situation :

- a) For the entire warranty period, a 'Performance Bank Guarantee' equal to 10% of the cost of equipment may be obtained; **or**
- b) At the discretion and responsibility of the indenter, a 'Performance Bank Guarantee' for a lesser period and / or amount may be obtained.

Note: Performance Bank Guarantee is required to be accepted and retained and released by the indenter.

11. Rate Contract :

In the case of articles / services frequently and periodically required throughout the year, eg. Stationary, chemicals, glassware, maintenance, furniture etc., it is desirable to enter into rate contracts valid normally for one year.

12. Repeat Order :

- a) Repeat Order may be placed within 3 months from the date of original purchase order.
- b) The indenter has to certify that there was no downward trend in the price during the intervening period.
- c) In case quantity of the item proposed to be purchased now, exceeds the quantity purchased in the earlier / original purchase order, then (i) either fresh quotation has to be called for, (ii) or the rate per piece quoted in the original / earlier purchase order is required to be negotiated.. This strategy is required to be adopted as rate per piece falls down proportionate to the increase in the quantity.

13. Buy Back offers:

When it is decided with the approval of the competent authority to replace an existing old item(s) with a new and better version, the department may trade the existing old item while purchasing the new one. For this purpose, a suitable clause is to be incorporated in the bidding document (Notice Inviting Quotation) so that

the prospective and interested bidders formulate their bids / quotations accordingly.

Further, a suitable provision may be kept in the bidding document (NIT) to have an option by the University either to trade or not to trade the old / existing item while purchasing the new item.

Buy back arrangement of items like computers, scanners, servers, Xerox machines, refrigerators and the like of five year vintage or more can be made subject to the following conditions:

- (a) The item has been declared as unserviceable / repairs not economically beneficial (Purchase Committee has to make such a declaration duly taking the help of a technically competent expert).
- (b) Price bid should be obtained from various bidders.
- (c) Once the transaction is completed, the original value of the item is to be written off from the books of accounts as well from the Assets Register. Information may be given to the Dy. Registrar (Accounts). This fact may be recorded in the annual physical verification report which is required to be given to the Financer Officer annually for deleting the asset from the Balance Sheet.

14. Hiring of taxi cabs should be from such cab-operators who are registered Service Tax Payers:

- (a) It should be ensured that the Cab-operators whose services are requisitioned by UoH are registered with the Central Excise Department for the purpose of remittance of Service Tax.
- (b) for this purpose (i) it is sufficient to ensure that the invoices / bills presented by the Cab-operators contain the 15 digit Service Tax Registration Code No. and (ii) a declaration as prescribed in Annexure 9 of this booklet should be obtained.

(Authority: GOI, MOF, No.3 (27)/C&V/06 dt.9.11.2006).

Important : effective from 1st March 2006, Service Tax payable by the University (to a Service Tax Registered Cab Operator only) on hiring a taxi cab is 4.8%+2% of 4.8%+1% of 4.8%=5% . It may be ensured that taxi cab operators do not charge more than this amount as Service Tax.

15. **Guidelines issued by Central Vigilance Commission:**

It is reiterated that in all the matters, guidelines issued by Central Vigilance Commission from time to time are followed in letter and spirit. For the sake of convenience, a check list of relevant guidelines is given in Annexure II. For any further help in this matter, please contact Chief Vigilance Officer (presently Finance Officer) or Vigilance Asst. Registrar (presently Asst. Registrar, Legal Cell).

16. **NOTES:**

- 16.1** The above procedure shall supersede the existing purchase policy. In respect of areas, which are not covered in the above purchase policy & procedure, the provisions contained in the General Financial Rules-2005 of Govt. of India shall be operative.
- 16.2** In case of any doubt on the interpretation of this procedure or any suggestion for improvement, the matter can be referred to the Vice-Chancellor through the Internal Audit Officer.
- 16.3** **Vice-Chancellor is empowered to relax any provision(s) contained herein.**

***** XXX *****

UNIVERSITY OF HYDERABAD

PURCHASE PROPOSAL (INDIGENOUS OR IMPORTED)

SCHOOL / DEPARTMENT / CENTRE: _____

1.	Name and Status of the Proposer / Originator / User	
2.(a)	Name of the goods or equipment or consumable	
(b)	Model No.	
(c)	Name of the Manufacturer (country of origin, in case of imported items)	
(d)	Name of the Manufacturer or Supplier from whom purchase is to be made.	
(e)	To whom Purchase Order is to be addressed and to whom to be handed over	
3.	Notice of Inviting Quotation	Enclosed in File at Pg.No.
4.	Copy of “In Principle Approval” accorded by the Competent Authority, if any.	Enclosed in File at Pg.No.
5.	Details of the Budget Head (Plan / Non-Plan / Projects)	
6.	Name of the Project, wherever applicable.	
7.	Justification for acquisition of the item	
8.	Whether prescribed purchase procedure has been followed i.e. :	
(a)	By Advertisement (open tendering systems) for the purchase value of Rs. 5.00 lakhs and above	
(b)	Whether tender notice placed on website and the name of the website published in leading newspapers. (Pl. refer item (a) at page 75 of Purchase Policy)	
(c)	Whether soft copies of the website records are maintained by using archival techniques?	

(d)	Whether limited tender is called for from the original equipment manufacturer / principal / reputed regular dealers as per the list of vendors enlisted by the University? (Pl. refer item (b) at page 75 of Purchase Policy)	
(e)	Wherever an agent is quoting on behalf of the principal, whether authorization letter has been obtained from the principal?	
(f)	Whether 6 quotations obtained for purchasing value exceeding Rs. 0.50 lakhs? (Pl. refer para 3.1.3 at page 72 of Purchase Policy)	
(g)	In case of single tender / quotation purchase, whether adequate justification and documentation in support of the same has been furnished? (Pl. refer item (c) at page 75 of Purchase Policy)	
9.(a)	Whether the items are proprietary in nature? Details to be give. (Pl. refer item (d) at page 75 of Purchase Policy)	
(b)	Whether a certificate to the effect that “no other company is manufacturing the product and this is the only company manufacturing the product” is attached in respect of proprietary item	
10.	Details of Quotations:	
(a)	No. of firms called	
(b)	No. of firms responded > No. of firms quoted >	
(c)	No. of firms regretted	
(d)	No. of firms which did not respond	
11.	Whether comparative statement(s) has been enclosed duly authenticated by the originator? (Pl. refer para 4.2 and 4.3 at page 10 of the Purchase Policy)	Page No.
12.(a)	Whether the lowest quotation has been selected?	
(b)	If not, brief justification for not selecting the lowest quotation	

13.	Cost Details: (after negotiation)				
	<u>Imported</u> Foreign Currency			<u>Indigenous</u> Rs.	
			INR		
(a)	FOB			Cost	
(b)	Freight			Transport	
(c)	Insurance			Insurance	
(d)	Packing			Packing	
(e)	CIF Value			Any other charges	
(f)	Customs Duty @ 5.15%			Central Excise Duty (If particulars are available)	
(g)	Clearing Charges				
(h)	Total Cost			Total	
14.	Time of Payment:				
(a)	Advance Payment (please refer to para 8 of Purchase Policy)				
(b)	After delivery / installation / final acceptance				
15.	Warranty:				
(a)	Period:				
(b)	Whether Comprehensive				
16.	Delivery Period				
17.	Details of after sales service				
18.	In case of payment through LETTER OF CREDIT, value thereof in both the currencies				
19.(a)	Whether the company agreed for (i) release of 90% of the order value through LC / TT upon proof of shipment of stores / equipment, on presentation of signature of commercial invoice, original airway bill / price list certification of confirmed test by suppliers, supplier certificate containing the confirmation of the equipments in the case / package and (ii) the balance 10% payment would be released by the Bank after final acceptance / satisfactory installation & commissioning by University of Hyderabad and performance Bank Guarantee bond.				

(b)	Whether Bank charges outside India (including certification charges if any in case of LC) shall be debited to the suppliers account? If not , justification to be given.	
20.	Deviations from the prescribed purchase policy & procedure, if any. Justification to be given.	
21.(a)	In case the proposal is for Rs. 5 lakhs and above, whether the firm has agreed to conclude the agreement duly incorporating all safety clauses? (An agreement is required to be vetted / scrutinized by International Audit Officer before submitting to the Registrar for signature)	
(b)	If not, justification for not doing so.	

22.	Any other details or comments	
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Signature and
Name of the proposer

JUSTIFICATION / NEED FOR THE PURCHASE OF THIS EQUIPMENT / CONSUMABLE + JUSTIFICATION FOR SELECTING / PREFERING THIS MANUFACTURER / SUPPLIER.

Recommendations of the Purchase Committee:

1.	4.
2.	5.
3	6.

Format to be used by the F & A for the purpose of scrutiny of Purchase Proposal

1.	Budget Head		
2.	Funds Position		
(a)	Budget Allocation		
(b)	Financial Year to which it pertains		
(c)	Booked expenditure till date (excluding the proposal on hand)		
(d)	Committed expenditure, if any		
(e)	Balance available as on date of the present Proposal		
3.	Financial Details of the Purchase Proposal:		
(a)	Ref. to Proposer's Lr.No. / Date calling for quotation.		
(b)	Name & address of the company / supplier whose quotation has been accepted.		
(c)	Ref.No. & date of accepted quotation		
(d)	Ex-works price to be indicated in rupees (in case of import, the expenditure against each item in foreign currency and its equivalent in Indian rupees	INR	Foreign Currency
(e)	Discount if any (after negotiation)		
(f)	Cost of packing & forwarding (by the Supplier)		
(g)	Cost of Insurance / Air or Ocean Freight (i) whether to be arranged by UoH. If yes, approximate expenditure OR (ii) whether to be arranged by the Manufacturer / Supplier. If yes, then mention the amount that has been exhibited in the quotation or invoice		
(h)	Excise Duty or Customs Duty (exemption to the extent available / is required to be availed)		
(i)	CST / VAT / SALES TAX (exemption to the extent available / is required to be availed)		
(j)	Any other charges (specify)		
(k)	Total Cost		
4.	Whether this item is committed or a fresh expenditure item		
5.	Whether L1 accepted or. If not, reasons for the same.		
6.	Any Other Observation or objection regarding the proposal		
7.	Whether the proposal is in order and can be recommended for sanction? If not on which item(s). Compliance from the user proposer is required.		

The above proposal is recommended for sanction subject to the conditions that the purchase order should contain the liquidated damages clause.

DEALING ASSISTANT SECTION OFFICER ASST. REGISTRAR DY. REGISTRAR I.A.O.

UNIVERSITY OF HYDERABAD

P.O. Central University, Hyderabad 500 046

Certificate for claiming Central Excise Duty Exemption as per notification
No.10/97-CE dated 01.03.1997

Date:

The University of Hyderabad is exempted from payment of Central Excise Duty in terms of Notification No.10/97-CE dated 1.3.1997, vide Regn. No. TU/V/RG-CDE(58)/2006 dated October 11th, 2006 and valid from 1.9.2006 to 31.8.2011, issued by the Ministry of Science & Technology (Department of Scientific & Industrial Research) New Delhi.

01.	Name of the Institution (Issuing Organisation)	School of UNIVERSITY OF HYDERABAD, Hyderabad 500 046. (a University that came into existence by an Act of Parliament – Act No.39 of 1974)
02.	Registration with Dept. of Scientific & Industrial Research. (Govt.of India)	Regn. No. TU/V/RG-CDE(58)/2006 dated October 11 th , 2006 and valid from 1.9.2006 to 31.8.2011.
03.	Name of the Manufacturer to whom the certificate is issued	
04.	Quotation No. or Invoice No. and date of the Manufacturer	
05.	University's Purchase Order No. & Date	
06.	Brief description of the items / goods	
07.	Value of items on which Central Excise Duty exemption is being claimed	
08.	Amount of Central Excise Duty exemption claimed	

Certified that the purchase of the above goods for which full Central Excise Duty Exemption is claimed are required for research purpose only by this University and this University is not engaged in any commercial activity. Also **certified** that the university is registered with the Department of Scientific and Industrial Research, New Delhi.

REGISTRAR
UNIVERSITY OF HYDERABAD

Note : Request for this certificate may be routed through the Scientific Officer,
Communication Cell.

UNIVERSITY OF HYDERABAD

P.O. Central University, Hyderabad 500 046

ESSENTIALITY CERTIFICATE FOR CLAIMING CUSTOMS DUTY EXEMPTION IN RESPECT OF GOODS IMPORTED BY PUBLIC FUNDED RESEARCH INSTITUTION FOR RESEARCH PURPOSE ONLY IN ACCORDANCE WITH THE GOVERNMENT OF NOTIFICATION No.51/96 – Cus dated 23.7.1996.

Date:

The University of Hyderabad is exempted from payment of Customs Duty in terms of Notification No.51/96-Cus dt.23.7.1996 vide Regn. No. TU/V/RG-CDE(58)/2006 dated October 11th 2006 and valid from 1.9.2006 to 31.08.2011, issued by the Ministry of Science & Technology (Department of Scientific & Industrial Research) New Delhi.

01.	Name of the Institution (Issuing Organisation)	School of UNIVERSITY OF HYDERABAD, Hyderabad 500 046. (a University that came into existence by an Act of Parliament –Act No.39 of 1974)
02.	Registration with Dept. of Scientific & Industrial Research	Regn. No. TU/V/RG-CDE(58)/2006 dated October 11 th , 2006 and valid from 1.9.2006 to 31.8.2011.
03.	Name of the foreign manufacturer / supplier	
04.	a) Quotation No. or Invoice No. and date of the foreign manufacturer / supplier b) Invoice Amount c) Airway Bill No. and date.	
05.	University's Purchase Order No. & Date	
06.	Brief description of the items / goods	
07.	Amount of Customs Duty payable after claiming the exemption to the extent available.	

Certified that the purchase of the above goods for which Customs Duty Exemption is claimed are required for research purpose only by this University and this University is not engaged in any commercial activity. Also **certified** that the university is registered with the Department of Scientific and Industrial Research, New Delhi.

**REGISTRAR
UNIVERSITY OF HYDERABAD**

Note: Request for this certificate may be routed through the Scientific Officer,
Communication Cell.

PERFORMANCE BANK GUARANTEE

WHEREAS M/s, having its registered office at hereinafter called the Distributor in India for
 herein after called “The supplier” for the supply of, in consideration of the University of Hyderabad, Department of, School ofCentral University, Gachibowli, Hyderabad-500046 (hereinafter called “UoH”)P.O.No.UH/.....dt. placed an order for the due fulfillment by the said supplier of the terms and conditions in the purchase order, on production of a Bank Guarantee for Rs.....(Rupeesonly). We Bank,(reinafter referred to as “the Bank”) at the request of supplier do hereby undertake to pay to the UoH an amount on exceeding to Rs.....(Rupees..... only).

2. WeBank do hereby undertake to pay UoH, the amounts due and payable under this guarantee without any demur, merely on a demand from UoH stating that the amount claimed is required to meet the recoveries due or likely to be due from the said supplier. Any such demand made on the Bank shall be conclusive as regards the amount due and payable by the Bank under the guarantee. However, our liability under this guarantee shall be restricted to an amount not exceeding to Rs.....(Rupees only)

3. We undertake to pay to the UoH any money so demanded notwithstanding any dispute or disputes raised by the supplier in any suit or proceeding pending before any court or Tribunal relating thereto, our liability under this present being absolute and unequivocal. The payment so made by us under this bond shall be valid and discharge of our liability for payment there under and the Supplier shall have no claim against us for making such payment.

4. We theBank further agree that the guarantee herein contained shall remain in full force and affect during the period that would be taken for the performance of the said Agreement and that it shall continue to be enforceable till all the dues of the UoH under or by virtue of the said Agreement have been fully paid and its claims satisfied or discharged or till Registrar on behalf of the UoH certified that the terms and conditions of the said Agreement have been fully and properly carried out by the said and accordingly discharges this guarantee.

5. We, the Bank further agreed that the UoH shall have the fullest liberty without our consent and without affecting in any manner our obligations here under to vary any of the terms and conditions of the said Purchase Order or to extend the time of performance by the said contractor from time to time or to postpone for any time or from time to time any of the powers exercisable by the UoH against the said supplier and to forbear or enforce any of the Terms and Conditions relating to the said agreement and we shall not be relieved from our liability by reason of any such variation or extension being granted to the said supplier or for any forbearance act or omission on the part of the UoH or any indulgence by the UoH to the said supplier or by any such matter or thing whatsoever which under the law relating to sureties would but for this provision have effect of so relieving us.

6. This guarantee will not be discharged due to change in the constitution of the bank or the supplier.

7. We, the Bank lastly undertake not to revoke this guarantee except with the previous consent of the UoH in writing.

8. This guarantee shall be valid upto unless extended on demand by UoH. Notwithstanding anything mentioned above, our liability against this guarantee is restricted to Rs...../- (Rupees only).

Notwithstanding anything contained herein

1. Our liability under this bank guarantee shall not exceed Rs...../- (Rupees only)

2. Bank guarantee shall be valid upto

3. We are liable to pay the guaranteed amount or part thereof under this bank guarantee only and only if you serve upon us a written claim or demand on or before

Dated:

Signature & Seal of the Bank

-----Note :

The above format contains specific clauses and expressions. These clauses and expressions can vary depending upon the nature / type of agreement and situation. Basic aspect to be kept in mind is that interest of UoH is fully protected.

**Proforma of Agreement to be entered into with foreign manufacturer / supplier
for purchases *directly made from the foreign manufacturer / supplier***

Contract for supply of* _____

By _____

Vide Quotation Ref :

An agreement made on this ___day of _____ between the University of Hyderabad, Hyderabad – 500 046 (hereinafter called the “University”) and M/s. _____(hereinafter called the “foreign manufacturer/ supplier”), which expression shall, wherever the context so admits or implies include the representatives, executives, administrators, successors or assigns of the ONE part, and the University’s Authorised Officers, successors or assigns of the OTHER part.

WHEREAS the University is desirous of purchasing and installing * _____ at the premises of the University as per the technical specifications mentioned in the P.O. No. _____ Date _____ for the sum of _____ (FOB price) subject to the conditions herein set forth.

Now these present witness and the parties hereto hereby agreed as follows:

1. That the supply would be made against a consideration of the sum of *** _____ to be paid by the University to the foreign manufacturer / supplier through**** _____. Freight , insurance, handling and documentation as per the terms agreed upon in the Purchase Order. The foreign manufacturer / supplier shall execute the supply of equipment and complete the Purchase Order in a thorough and workmanlike manner.
2. The foreign manufacturer / supplier is required to submit a bank guarantee bond of Rs. _____ to be retained by the University and which can be released by the University after the warranty period ofyear(s) is over. If the supplier does not provide a bank guarantee, then 10% of FOB cost would be retained by the University till the warranty ofyear(s) is over.
3. That the foreign manufacturer / supplier shall be responsible for the adequacy, strength and accuracy of all the system (machinery, equipment, parts, appliances and things) supplied by the foreign manufacturer/ supplier for the purpose of the contract, as per the specifications claimed by the foreign manufacturer / supplier in their published catalogue / quotation.
4. That the foreign manufacturer / supplier shall arrange to deliver the whole of the machinery / equipment / parts / appliances / things as specified in the said specifications / quotation / purchase order, to the nearest port and the University shall make arrangements for taking delivery, clearance, transport and placing of all the equipment etc. so received at the site of installation.

* Name of the machinery / instrument / parts / appliances / things .

** Name of the School / Department

*** FOB price

**** Mention the mode of payment, such as LoC, Demand Draft, Telegraphic (Wire)Transfer. Also make a mention (as pr the situation) whether 90% would be released on proof of payment and balance 10% on actual delivery / installation / commissioning.

5. That the University shall obtain pre-installation requirements from the foreign manufacturer / supplier and complete all necessary requirements at its own cost before the commencement of installation by the foreign manufacturer / supplier.
6. That the foreign manufacturer / supplier shall send a factory-trained engineer to install the machinery / equipment free of charge at a mutually convenient time after confirmation of safe arrival of the equipment at the University premises. The foreign manufacturer / supplier shall bear the travel, living and other cost of the engineer / labour.
7. That on installation, the site engineer shall arrange with the University to have a test run of the machinery / equipment / part as per the specifications given in the published catalogue / data sheet / quotation.
8. That after the installation and satisfactory testing of the System (machinery / equipment / parts etc.) the University shall, if satisfied with the performance of the system as expected from the specifications, shall grant and deliver a certificate in duplicate that the machinery / equipment is in working order to the satisfaction and that the same is in conformity with the specifications. One of the duplicate certificate shall be given to the supplier. Such delivery and handing over shall amount to and be considered as handing over and the delivery to the University within the meaning of this contract.
9. That of during a period of twelve months from the date of installation and handing over the system (machinery, equipment, part etc.) to the University or fifteen months from the date of shipment whichever is earlier, if there shall be found any defect in the system either due to faulty workmanship or due to bad materials, the same shall be rectified or replaced by the foreign manufacturer / supplier s at their own cost.
10. That the foreign manufacturers shall pay the University 1% of the total cost of the system per week of delay in delivering the System and in no case shall exceed 5% of the total cost. Liquidated Damages will not be applicable where the cause of delay is not attributable to the foreign manufacturer / supplier.
11. That any dispute arising out of this contract shall be referred to the University, and if either of the parties hereto is dissatisfied with the decision, the dispute shall be referred to the decision of the Arbitrator, who should be acceptable to both the parties, to be appointed by the Vice-Chancellor of the University. The decision of such Arbitrator shall be final and binding on both the parties
12. All disputes are to be settled within the jurisdiction of Hyderabad courts.

In witness whereof the parties have hereto set their hands day and year above written.

In the presence of

1.

2.

Signed on behalf of the Manufacturers

In the presence of:

1.

Signed on behalf of the University

Proforma of Agreement to be entered into with *Indian Representative* of foreign manufacturer / supplier for purchases made through *Indian Representative*

Contract for supply of *-----

By -----

Vide Quotation Ref: _____

An agreement made on this ____ day of _____ between the University of Hyderabad, Gachibowli, Hyderabad – 500 046 (hereinafter called the “University”) and M/s _____ (hereinafter called the “Representatives”) representing their principals _____ (hereinafter called the “foreign manufacturers” or “foreign supplier” as the case may be), which expression shall, over the context so admits or implies include the representatives, executives, administrators, successors or assigns of the ONE part, and the University’s Authorised Officers, successors or assigns of the OTHER part.

WHEREAS the University is desirous of purchasing and installing* _____ at the premises of the University as per the technical specifications mentioned in the data sheet enclosed to the Purchase Order No. _____, Date _____ for the sum of _____ (FOB price) subject to the conditions herein set forth.

Now these present witness and the parties hereto hereby agree as follows:

1. That the supply would be made against a consideration of the sum of _____ to be paid by the University to the foreign manufacturers supplier, through***..... Freight, insurance, packing, handling and documentation as per the terms agreed in the Purchase Order. The supplier shall execute and complete the Purchase Order in a thorough and workman like manner.

2. The representative is required to submit a bank guarantee bond of Rs.....to be retained by the University and which can be released by the University after the warranty period ofyears is over. If the representative does not provide a bank guarantee, then 10% of FOB cost would be retained by the University till the warranty period ofyear(s) is over.

3. That the Representatives shall be responsible for the adequacy, strength and accuracy of all the Systems (machinery, equipment, parts, appliances and things) supplied by the foreign manufacturer / supplier for the purpose of the contract, as per the specifications claimed by the foreign manufacturer / supplier in their published catalogues / quotation.

4. The representative shall arrange to deliver the whole of the machinery / equipment / parts / appliances / things as specified in the said specifications / quotation / purchase order, to the nearest port (viz****) and the University shall make arrangements for taking delivery, clearance, transport and placing of all the equipment so received at the site of installation.

5. The University shall obtain pre-installation requirement from the foreign manufacturer / supplier and its Indian representative and complete all necessary requirements at its own cost before commencement of the installer by the supplier.

* Name of the instrument or equipment or part or article or goods.

** FOB price

*** Mention the mode of payment such as LoC, Demand Draft, Telegraphic (Wire) Transfer.

Also make a mention (as per the situation) whether 90% would be released on proof of shipment and balance 10% on satisfactory installation and acceptance.

**** Mention name of the sea port or air port

6. That the Indian representative shall send a factory-trained engineer to install the equipment free of charge at a mutually convenient time after confirmation of safe arrival of the equipment at the University premises. The Indian representative shall bear the travel, living and other cost of the Engineers / Labour..

7. That the representatives shall be responsible for and shall pay all expenses of every kind of injury etc. caused by any accident to all persons employed by him or on his behalf during the course of installation and commissioning of the system supplied by the principal.

8.. That on installation, the representative shall arrange with the University to have test run of the machinery / equipment /part as per the specifications given in the published catalogue / data sheet / quotation.

9. That after the installation and satisfactory testing of the System (machinery , equipment, parts etc.) the University , if satisfied with the performance of the system as expected from the specifications, shall grant and deliver a certificate in duplicate that the equipment is in working order to the satisfaction and that the same is in conformity with the specifications. One of the duplicate certificate shall be given to the supplier. Such deliver and handing over shall amount to and be considered as handing over and the delivery to the University within the meaning of this contract.

10. That during a period of twelve months from the date of installation and handing over the system to the University or fifteen months from the date of shipment whichever is earlier, if there shall be found any defect in the system either due to faulty workmanship or due to bad materials, the same shall be rectified or replaced by the foreign manufacturer/ supplier through their representatives at their own cost.

11. No agency commission will be payable to the Indian representative.

12. That the foreign manufacturer / supplier or his Indian representative shall pay to the University @ 1% of the total cost of the system per week of delay in delivery of the system which in no case shall exceed 5% of the total cost. Liquidated Damages will not be applicable where the cause of delay is not attributable to the foreign manufacturer / supplier / representative.

13. That any dispute arising out of this contract shall be referred to the University, and if either of the parties hereto is dissatisfied with the decision, the dispute shall be referred to the decision of an Arbitrator, who should be acceptable to both the parties, to be appointed by the Vice-chancellor of the University. The decision of such Arbitrator shall be final and binding on both the parties.

14 All disputes are to be settled within the jurisdiction of Hyderabad courts.

In witness whereof the parties have hereto set their hands day and year above written

In the presence of

1.

2

Signed on behalf of the representatives

In the presence of

1.

2.

Signed on behalf of the University

PAYMENT OF SERVICE TAX**DECLERATIONS TO BE OBTAINED FROM THE SERVICE PROVIDER**

Note : Whenever and wherever it is found that any Service Provider has included the element of Service Tax in his invoice / bill / quotation, then a declaration containing under mentioned clauses (i) may be included in the service order to be placed on him *or* (ii) may separately be obtained from him *or* (iii) may be included as a distinct item in the 'terms & conditions'. . This declaration (as signed and submitted by the Service Provider to UoH) is required to be enclosed to **each bill*** raised by the Service Provider, which in turn is submitted to F&A for payment.

* i.e. only such bills wherein element of Service Tax has been claimed.

Clauses of declaration :

- 1) Certified that we are not covered by general exemption(s) contained in the Service Tax Notification No.6/2005 dated 1.3.2005.
- 2) Certified that we are registered with the Central Excise Department as a Service Provider and our Service Tax Registration No.is
- 3) Certified that the nature of service provided by us (and for which payment is being claimed) falls under Section 65 of Finance Act 1994.
- 4) Certified that we are filing our Service Tax returns with

Signature of the Service Provider

ANNEXURE-9

PAYMENT OF VAT**DECLERATIONS TO BE OBTAINED FROM THE SUPPLIER WHO IS CLAIMING
VAT IN HIS BILL**

Note: Whenever and wherever it is found that the any vendor / supplier / manufacturer has included the element of VAT in his invoice / quotation / bill, then a declaration containing the under mentioned clauses (i) may be included in the supply order to be placed on him *or* (ii) may separately be obtained by him or (iii) may be included as distinct item in the 'terms & conditions'. This declaration (as signed and submitted by the vendor / supplier / manufacturer to UoH) is required to be enclosed to **each bill*** raised by the vendor / supplier / manufacturer, which in turn is submitted to the F&A for payment.

* i.e. only such bills where element of VAT has been claimed.

Clauses of declaration:

- 1) Certified that we are not covered by general exemption(s) provided in A.P.VAT Act 2005 and the Rules made thereunder.
- 2) Certified that we are registered with the VAT implementing authority and our Service Tax Registration (TIN) No.is
- 3) Certified that we are filing our VAT returns with

Signature of the Vendor / Supplier / Manufacturer

Check-list for procurement contracts (purchases, works, services).

(Drafted duly taking guidance from Central Vigilance Commission Circular No.21105/06 dt. 1.5.2006)

I) Pre-Award Stage :

1. Financial and Technical sanction of competent authority should be available.
2. (a) Adequate and wide publicity is given. (b) Advertisement and tender documents are posted on University website and tender documents are made available for downloading by making a specific mention in the Notice itself (precautions and conditions governing the down loading are required to be highlighted in the Notice itself). (c) However, if on account of any specific and valid reason down loading is not considered allowable, then specific mention about such a prohibition is required to be made in the Notice itself.
3. Convenient and sufficient tender or quotation receiving / opening time is given and address of the tender receiving officials / tender box location are properly notified,
4. In the case of limited tender, panel of contractors / suppliers is prepared In a transparent manner clearly publishing the eligibility criteria. The panel is updated regularly.
5. Pre-qualification criteria are properly defined / notified.
6. It is to be ensured that the short listed firms / consultants fulfill the eligibility criteria during evaluation. There is no deviation from notified criteria
7. Experience and past performance certificates submitted by the contractors / suppliers are required to be verified,
8. Representatives of the bidders may be invited and allowed while opening the quotations / tenders / bids (preferably where contract value or purchase value exceeds Rs.10 lakh) (pl. refer Para 4.1 at page 6)
9. Corrections / omissions/ additions etc, in price bid are property numbered and attested and accounted page –wise. Tender summary note, tender opening register is scrupulously maintained,
10. Conditions having financial implications are not altered after opening of the price bids.
11. In case of consultancy contracts (a) upper ceiling limit is fixed for Consultancy fee and (b) separate rates for repetitive works are fixed.
12. Liquidated damage clause is included in the purchase order, more particularly when escalation has been agreed upon by UoH.

II.) Post-award stage :

(a) General

1. **It is required to be ensured that Agreement** is in complete shape with all relevant papers such as **Pre-bid** conference minutes, etc.
2. Agreement Is page-numbered, signed and sealed properly,
3. Bank Guarantee Is verified from issuing bank.
- 4, Insurance policies, labour license, performance guarantee are obtained as per contract and requirement.
5. It is required to be ensured that technical personnel are deployed as per contract / agreement.
6. Plant and equipment are supplied / deployed as per purchase order / contract.
- 7, Action for Levy of liquidated damages is initiated in case of delay / default.

(b) Payments to contractors / suppliers:

1. Price escalation, if any, is paid only as per contract / purchase order / agreement.
2. Retention Money / Security Deposit is deducted as per contract
3. Recovery of any type of advance (such as advance payment, mobilization advance and equipment advance etc.) is made as per the provisions in the work order / purchase order / contract. **■**
4. Recovery of taxes such as Income-Tax , Works Contract Tax , VAT etc., is made as per the prescribed rates and as provided in the work order / contract.
5. Glaring deviations are supported with adequate justification and are not advantageous to the contractor / supplier.
6. Declarations (as prescribed in Annexures 9 and 10) are obtained wherever Service Tax and VAT have been claimed in the bills.

(c) Site Record

1. Proper system of recording and compliance of the instructions issued to the contractors / suppliers Is maintained.
2. Proper record of hindrances is maintained for the purpose of timely removal of the hindrance and action for levy of liquidated damages.
3. Mandatory tests are carried out as per the frequency prescribed in the agreement.
