

## CHAPTER – 7

### MODES OF PURCHASE

#### **7.1 Fundamental principles of public buying**

7.1.1 Every authority delegated with financial powers of procuring goods in public interest shall have the responsibility and accountability to bring efficiency, economy, and transparency in matters relating to public procurement and for fair and equitable treatment of suppliers and promotion of competition in public procurement.

#### **7.2 Indigenous Procurement**

It is the policy of GoI to encourage procurements from indigenous sources, particularly in the field of nuclear activities in order to achieve self-reliance.

#### **7.3 Foreign Procurement**

After exploring indigenous capacity and capability procurement can be carried out from foreign sources.

#### **7.4 Mode of Purchase**

7.4.1 As per GFR 2017 following modes of purchase can be used:

(i) Advertised Tender Enquiry (ii) Limited Tender (iii) Two-Stage Bidding (iv) Single Tender (v) Electronic Reverse Auctions

7.4.2 Following modes of Purchase can be adopted in DPS

(i) Limited Tender Enquiry (ii) Advertised Tender Enquiry (iii) Two Part Tender (iv) Single Tender Enquiry (v) Repeat Order (vi) Two Stage Bidding (vii) Expression of Interest (viii) Cost Plus Tenders (ix) Electronic Reverse Auction (x) Emergency/Shut-down requirements (xi) Purchase without quotations (xii) Purchase through Local Purchase Committee (xiii) GeM (Government e-Market)

#### **7.5 Purchase of Goods without Quotation**

7.5.1 Purchase of goods upto the value of Rs. 25,000/-<sup>1</sup> (Rupees twenty five thousand only) on each occasion may be made without inviting quotations or bids.

#### **7.6 Purchase of goods by Local Purchase Committee**

7.6.1 Purchase of goods exceeding the value of Rs. 25,000/- (Rupees Twenty Five Thousand only) but upto the value of Rs. 2,50,000/- (Rupees Two Lakh Fifty Thousand only) on each occasion may be made on the recommendations of a duly constituted Local Purchase

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<sup>1</sup> Or as amended from time to time

Committee consisting of three members of an appropriate level as decided by the Head of the Department. The committee will survey the market to ascertain the reasonableness of rate, quality and specifications and identify the appropriate supplier.

#### **7.7 Purchase of goods directly under Rate Contract**

Where rate contracts are concluded by DPS, the items indicated therein should be preferably purchased by placing supply orders.

#### **7.8 Limited Tender**

7.8.1 Under special circumstances, limited tender either in manual/offline mode or e-mode may be adopted with the approval of the competent authority.

#### **7.9 Advertised Tender**

7.9.1 Advertised tenders should be processed on e-mode. Wherever there are recommendations of the competent authority of user department for not adopting e-procurement, the approval of competent authority should be obtained.

7.9.2 Pre-Bid meeting, if required, can be incorporated in the tender.

7.9.3 In case of online bidding, the participating bidders can attend the opening of tender online. In case of manual/offline tenders, the firms can attend the tender opening on the date, time and venue, if indicated in NIT.

#### **7.10 Two Part Tender (Simultaneous receipt of separate Techno-Commercial and Price bids)**

7.10.1 Two Part Tenders where firms are required to submit Part-I (Techno-commercial) and Part-II (Price) in separate envelopes and submit them simultaneously on or before the due date specified, shall be used as per guidelines issued from time to time. Part-I (Techno-Commercial) is opened on the specified date and time. After evaluation of Part-I (Techno-Commercial) offers received, Part-II (Price) of technically qualified bids shall be opened on the date and time intimated by DPS. The participating firms/technically qualified firms as the case may attend the tender opening either online or physically as indicated in NIT.

7.10.2 Pre-bid meeting shall be organised for clarifying issues and clearing doubts, if any, about the specifications and other allied technical details of the plant, equipment, machinery, etc. in online/offline mode as mentioned in the NIT. The record of discussions of the pre-bid meeting shall form a part of the NIT.

#### **7.11 Single Tender**

7.11.1 Procurement through Single tender mode may be adopted where the source of supply is limited to one.

7.11.2 Single Enquiries may be floated in the manual mode with the approval of competent authority.

## **7.12 Repeat Order**

7.12.1 Repeat order may be placed if an indent for an item or items of stores of identical description is received for which an earlier purchase order had been placed subject to the conditions circulated from time to time, dispensing fresh tendering action.

7.12.2 It shall be certified by the user that there is no downward trend in the price of the item being procured through repeat order.

## **7.13 Emergency/Shutdown Requirement**

7.13.1 In case of emergent requirement relating to any of the operating plant/facility, the competent authority may at their discretion decide and authorise any mode of purchase in deviation to the normal procedure having regard to the canons of financial propriety. Such deviation should however be considered only against the requirements specifically marked as “Operational Emergency” or “Shutdown Requirement”.

## **7.14 Two Stage Bidding (Bids in two stages with receipt of financial bids after receipt and evaluation of technical bids)**

### **7.15 Electronic Reverse Auction**

7.15.1 Electronic reverse auctioning may be adopted if it is explicitly mentioned in the NIT (subject to availability of facility).

### **7.16 Expression of Interest (EOI)**

7.17.1 In instances where the equipment/plant to be procured is of complex nature and the procuring organisation may not possess the full knowledge of either the various technical solutions available or the likely sources for such products in the market, it would be prudent to invite EOI to shortlist prospective vendors and to finalise specifications based on technical discussions/presentations with the shortlisted vendors in a transparent manner.

### **7.18 Cost Plus Contracts**

7.18.1 A cost plus contract may be concluded as a very special case where the price payable for supplies or services under the contract is determined on the basis of actual cost of production of the supplies or services concerned plus profit either at a fixed rate per unit or at a fixed percentage on the actual cost of production.

### **7.19 Government e-Market (GeM)**

7.19.1 GoI has established the Government e-Market (GeM) for common user stores and services. All the activities on GeM should be completed in a time bound manner.