

PROCUREMENT POLICY FOR CENTRAL COOPERATIVE BANKS

Objectives :

The objective of this policy is to lay down the rules for procurement of different articles/ equipment by the Bank in an objective manner and make the procurement procedures completely transparent in the interest of the Bank as well as the vendors.

Procedure for procurement :

- 1) The Branches/ Head Office shall prepare the annual budget relating to consumption of various articles and procurement would be made centrally by the Head Office. While preparing the budget, the Branch Manager/ Departmental Head should be guided by the actual consumption of the preceding year.
- 2) After assessing the requirement for any purchase, the Bank would call for sealed tender for the annual requirement by giving wide publicity in at least two daily newspapers. The sealed tender shall be opened on the notified date and the concerned authority should initial all pages and corrections, if any, on the tender so as to avoid manipulation. The number of pages of the tender shall be indicated at the bottom of the last page of the tender in red ink at the time of opening of the tender in presence of the tenderers. In all cases, a comparative statement of rates shall be prepared and placed before the Purchase Committee to decide purchase of materials. The purchase would normally be made from the lowest tenderer unless, for reasons to be recorded in writing, the contrary needs to be done.
- 3) There shall be a Purchase Committee consisting of following four officers
 - a) Additional Secretary/ Deputy Secretary/ Assistant Secretary, Chairman
 - b) Manager (Administration)
 - c) Manager (Development)
 - d) Head of the Requisitioning Department.

In case any of the above members is designated as Chief Vigilance Officer, the said member will be delinked from the Committee. In that case, Secretary of the Bank will designate another officer not below the rank of Officer Grade-III to be in the Committee in place of the member who is the C.V.O. If CVO is the Manager/ In-charge of the requisitioning Department, the next below officer or in his absence, the next below officer of the requisitioning Deptt. will represent the Department as member.

The purchase committee will place its recommendations to the competent authority (Managing Committee/ Secretary, as the case may be) and only after the approval the purchase orders shall be placed.

However, in order to meet the normal requirement, besides the unforeseen or urgent requirement of articles, with a financial limit of Rs.15,000/-, the Bank may go for purchase of such articles by obtaining quotations locally from at least three parties. The Secretary is authorised to make such purchases from the local market within the limit of Rs.5,000.00 only.

For execution of any work/procurement of any material up to Rs.50,000/-, tender/quotation call notice will be published in the notice board of the Head Office of the Bank and the branches. Beyond that value, tender/quotation notices will have to published in newspaper as well as website of the Bank.

- 4. In case, there is no valid tender for a particular requirement even after due publicity, the Bank may procure the same from a cooperative or a charitable organisation (OCCF/ NCCF, Wildlife Fund, Child Relief and You, UNICEF etc.) after negotiation by the Purchase Committee. In case the Cooperative / Charitable Organization is not dealing with the article sought to be procured, the Purchase Committee shall apply due diligence and undertake the procurement after negotiation with the available supplier(s).

Terms of supply and payment :

1. All items proposed for purchases shall be subject to inspection before acceptance and articles for which specification and/ or tests have been prescribed by the competent authority, the same shall be required to conform to

such specification and/ or to specify the prescribed tests which may be carried out before despatch by the supplier.

2. Each firm shall furnish the security deposit equal to 2% of the expected procured value in shape of draft in favour of Bank at the time of submission of tender. The empanelled firms would enter into an agreement for a minimum period of one year for supply of indented articles with suitable liability clause to pay the penalty @ 1% of the bill amount per seven days of delay. In case of a delay of more than 15 days, the Bank shall have the option to cancel the order and blacklist the concerned vendor from receiving any orders in future. The quotations submitted by the firm will remain in force for a minimum period of one year. No escalation in cost would be allowed.
3. The purchase order will explicitly mention the requirements to be fulfilled and documents to be submitted by the party before the payment is released. Further, two copies of the purchase order may be given to the concerned vendor with advice to affix his signature on one copy in token of acceptance of the terms and conditions and return to the CCB for record. The payment by the Bank to the supplier shall be released within 15 days of the completion of supply, submission of bills and completion of other formalities specified in the purchase order. The payment will be through Account Payee & Pay Order/Cheques/D.D. in name of the supplier/firm and the proceeds will be remitted by Regd. Post directly to the supplier/ firm. In case of delay in payment of the bill, the Bank would also pay interest @ 12% per annum for the period of such delay, which shall, however, be recovered later from the concerned officers responsible for the delay.

Indenting by Branches and supply :

1. The official in the charge of stores in the offices and Branches shall ensure safe, keeping of the articles and that the physical stock is in conformity with the ledger balance maintained.
2. While supplying the article to the Branches/ Department, requisition in writing should be obtained duly signed by section head or branch head.

3. The Annual Stock Verifying Officer should report on proper maintenance of records and certify the physical position in each item of the Stock Register.

Checking of Store and Maintenance of Accounts :

1. The dealing officer shall maintain the stock register and assess the stock requirement and place the position to the authority for purchase of fresh stocks. The stock purchased should be entered in the Stock Register.
2. Certificates of quality and quantity received are to be furnished by the receiving officers while recommending for payment of bills.
3. Huge quantity of stocking represents locking up of capital, which is not justifiable unless essential. In order to effect economy in this direction the dealing officer will see that the stock holding does not exceed the requirement as decided by the competent authority and is not in excess of requirement for a period of 3 months, unless ordered by the competent authority for reasons to be recorded in writing.

Restrictive Procedure/ Measures :

1. No Branch or subordinate office would purchase stationary directly except in urgency, the value of which shall not exceed Rs.500 per month.
2. No stationary would be supplied without proper indent.
3. The Branches should not be allowed to lift fresh stocks from the Head Office in case the existing stock in hand is sufficient for its 3 month requirement.

Exceptions:

In view of the past satisfactory performance and limited choice of substitute, security equipment, furniture etc. of M/s. Godrej make and Diesel Generator Set of Kirloskar make shall be purchased without going for tender. This shall however be reviewed on an annual basis and in case of unsatisfactory performance or better options, this dispensation can be changed by the Managing Committee of the Bank.

