

welcome

STORE PURCHASE RULES

RULES APPLICABLE

- Store rules.
- Subsidiary instructions.
 - Rule 117(1)
- State purchase rules.
- Orders issued by ---
 - Administrative Deptt.
 - Finance Deptt.
 - C & I Deptt.
 - Appen.1 of book of Fin. Powers.

Essential Financial Rules

- General conditions of expenditure – Rule 8
- Standards of fantail property – Rule 9
- Strict economy at every step – Rule 10
- Expenditure in public interest – Rule 11
- Timely preparation of account– Rule 17
- Personal responsibility for certification – Rule 18

New Instrument Of Service

- **Vehicle** – except replacement .
- **Office expense** exceeding Rs.1 lakh - except replacement .
- **Equipment** exceeding Rs. 4 lakh - except replacement .
- **Machinery** exceeding Rs.10 lakh - except replacement

--Appen.3 of Book of Financial Powers

Preamble To The Rules

- The policy of the state government is to make the purchases of store for the **public service** in such a way as to increase the **development of the industries of the state** in particular and the country in general to the utmost possible consistent with **economy** and **efficiency**.

– Appendix 5

Preference And Reservation

- **Preference**

Small scale industries > Medium and large scale industries > India > Abroad

- **Reservation** --- As per rule 14,17,18

Important Procedural Precautions

- Assessment of annual requirement.
- Requirement for public service.
- Purchase in most economical way.
- Purchase during the cheapest season.
- Purchase—not much in advance. ---Rule-118
- Purchase order should not be split up. ---Rule-119

TENDER PROCESS—Rule 2

- Formation of store purchase committee.
- Preparation of N.I.T.
- Public advertisement.
- Financial status of the firm must be taken into consideration.
- Technical advise-if required.
- Reasons should be recorded if the lowest tender is not accepted.
- Inspection/test before dispatch.
- Place of delivery.

Electronic Tender System

- Amt. of tender/drawing through gateway or Cyber Try.
- Online digital signature will be accepted.
- E.M.D. through gateway or Cyber Treasury.
- Online presence will be considered.
- Online received documents will be treated as sealed envelop.

--I & T Deptt. Memo dt.07.09.06

Types of Tender—Rule 2

A. Single tender

- Amt. upto Rs.1000/-
- If more than Rs. 100/-, the required article must be of a proprietary character.

B. Limited tender

- Amt. less than Rs.25000/-
- Updated list of known reliable firms should be kept.
- If open tender system is not adoptable in public interest and demand is urgent. Reasons must be placed on record.

C. Open Tender

- Amt.Rs. 25000/- or above.
- Public advertisement.
- N. I. T.--- brief and economical.
- Analysis of bids by purchasing committee.
- Execution of agreement.
- Speaking order.

Exception-For the purchase of articles costing upto Rs.250/-on each occasion, tender may not be invited. But reasons should be recorded on file.

Repeat Orders--Conditions

- After six month of initial order.
- Original order was not placed to cover an urgent and emergent demand.
- The new demand does not exceed the quantity of Rs.50000/- and 50% of the quantity originally ordered.
- There is no downward trend in the price since the original order was placed.
- Repeat order is in the interest of Government.

Purchase through L.U.N.—Rule-14

- No tender for items reserved in Annexure B.
- If L.U.N. certify their inability to make the supply, the purchase should be made from other sources in accordance with rules.
- Service charge of L. U.N.---Max. 2%
- Payment within 20 days of the receipt of the material. otherwise LUN will charge 1.5% interest per month.

Other agencies as per rule-14.

RULE

AGENCIES

14A

khadi Board

14B

STC, Handloom Weavers Coop. Societies
Powerloom weavers coop. societies.

14C

khadi Board, HSVN, STC, M P State
Industries Coop. Fed.

14D

Khadi Board, HSVN, STC, Handloom
weavers Coop. Fed.

14E

State Coop. Consumers Fed.

Reservation Under Rule 17&18

- A- Institutions/units where partnership of ST/SC people is more than 50%--Rule 17
 - ✓ In case of limited tender—30% purchase
 - ✓ In case of open tender—30% preference in supply on the approved tender rate.
 - ✓ Such purchase will be stated in Administrative Report of the Deptt.
- Self Help Groups—Rule-18
 - Purchase upto the limit of limited tender.

Receipt of material—Rule-121

A-Essential steps-Received material should be—

- At the time when-delivery is taken:
 - ✓ Examined
 - ✓ Counted
 - ✓ Measured /weighed
- Person who takes the charge should see:
 - ✓ Quantity is correct
 - ✓ Quality is good

- B. Certificates on the bill—SR-397 of MPTC, Vol.-1
 - Purchase order no. and date should be quoted.
 - The articles detailed in the vouchers have been actually received and entered in the stock register on page no.-
 - Quantities are correct and quality is good according to specifications.
 - The rates paid are not in excess of accepted rates.



- The suitable notes of payment have been made in the indents and invoices concerned to prevent double payment.
- The rules related to the purchase of store prescribed in Appendix 5, have been strictly observed.
- The provisions of Rule 14 have been fully complied with.

Issue of store—Rule - 122

- Indent in prescribed form.
- Careful examination of indent.
- Written acknowledgement.
- Issued items should be recorded in the stock register.

Custody and accounts of store.

- Special care for maintenance of good and efficient condition.
- Suitable accommodation.
- Proper accounting.
- Accounting in prescribed form.
- Separate stock account of dead stock and other stores.

---Rule-124...126

Inventory Control

- **A. Dead Stock**
- ✓ Form of inventory as prescribed by HOD.
- ✓ Model Form..... MPFC—9
- ✓ Checking by the controlling authority or officer nominated by him...once a year.
- ✓ Verification at least once a year.
- ✓ Checking/verification's results should be recorded on the inventory. **---Rule...127& 128**



- **B. Other store**
- ✓ Form of inventory/list/account—as prescribed by HOD.
- ✓ Internal check as per departmental manual.

--Rule129-132

Physical verification of store

- A physical verification of all stores should be made at least once in every year.
- Rules for verification --- as prescribed by HOD.
- Verification should not be made by custodian/ledger keeper/accountant.
- Verification should never be left to low paid subordinate.
- A certificate of verification of store with its result should be recorded in the inventory, list or account.

.....Rule—133-134

Excess and Shortage of stock

- Verification must always be made in presence of custodian or person deputed by him.
- Any **excess** detected during verification should be entered in the stock account as receipt with the suitable remark.
- Any **deficit** noticed should be noted in the stock account in the column '**Particular**' and described as '**Shortage found on stock verification**'.
- No entry should be made in quantity column.

Inspection of store

- Perishable store.....Six monthly.
- Other store.....Once a year.
- Store remaining in stock for over a year should be considered **surplus**—unless there is any good reason.

... Rule--135

Write off of store—Rule..142

- 1. Store unserviceable in the ordinary course:

- Suitable list of all condemned store.
- Full reasons for condemning the items.
- Competent sanction.
- Public auction.
- Appropriate entries in the account.

...Rule..140 &141

- 2. Store unserviceable due to avoidable carelessness, neglect or misuse.
 - Report to the HOD through immediate superior.
 - Detailed and complete report as investigation is completed.
 - Further action which deems necessary.
 - HOD will submit it to AD & FD.

...Rule 14(2) and 22 to 26.

- 3.Instructions as per Appen.1 of MPFC, Vol. II
 - Register of losses in form MPFC 28 should be maintained at HOD level.
 - Separate case file.
 - Monthly report to Government.
 - Monthly scrutiny of the register by a gazetted officer.
 - Disposal within six month.

- 4. Assessment of responsibility:

- Expeditious conduct of enquiry.

- Prosecution if necessary.

- Recovery or write off.

...Appen. 1 A.

Financial powers to write off loss

As per Book of Financial Power, Volume. I

- S.No. 35 to 38.....Sec.I
- S. No.42Sec.II

.....Book of Financial Power, Vol.I

THE END



THANKS