

HOTEL CORPORATION OF INDIA LTD.
PROCUREMENT POLICY
ADMINISTRATIVE ORDER
CONTRACTS & PURCHASES

This Administrative Order is being issued as a consolidated Policy Document on Procurement Process for Materials & Services and Capital Items in HCI and will be applicable to all the Units and Divisions of HCI and will be effective from date of issue and replace and supersede the earlier policy points / guidelines issued on subject from time to time. .

1. CASH PURCHASE

- Applicable For purchases up to Rs 5000/-.
- Purchase / Individual departments / Sections will be responsible for procuring the items/ services.
- The proof of delivery, vide challan duly signed/certified by Purchaser /indenter, along with the party's/ vendor's invoice should be submitted for Payment / reimbursement directly to accounts for settlements
- No formal purchase order will be released
- No tender procedure for items of non recurring nature. Verbal / enquiry process to be followed, if items / services of recurring nature and indent requested/ procurement intended accordingly

2. VERBAL ENQUIRY PURCHASE

- Applicable for purchases between Rs 5001/- and Rs. 15,000/-.
- On Verbal enquiry, minimum 3 written quotation may be obtained by email /fax / letter or any written form & manner
- If proprietary / brand item, 3 quotations not necessary.
- Quoted prices should be recorded in the File along with details of suppliers, rates quoted etc.
- Formal PO will be raised.

In exceptional circumstances cash payment may be authorized by the competent authority.

3. PURCHASE REQUISITION

- Requisition will be raised by the user/ indenting department / section Providing details such as complete specifications, Scope of work, drawings and quantitative requirements with any other relevant details in/along with the requisition is to be done by the user department ..
- Requisition/ renewal request must be raised atleast 04 months in advance of expiry of existing contracts /PO
- The amendments/Cancellations to the Requisitions must be promptly advised for compliance / incorporating the changes to the tender documents prior to issuance of tender notice /document to public /parties
- The renewal of annual contracts by Purchase divisions will be upon confirmation by user deptt /section including review of earlier specification and schedule of quantitative requirements thereof

4. TENDER FEES

- The Normal / Minimum Tender fees will be Rs 100 / each public Tender. Competent authority can waive the Tender Fee / or in case of Tender which need Drawings etc. or any other special requirement, increase and decide the suitable & reasonable Tender Fee. Tender Documents can be issued by Purchase Section on request and on payment of requisite tender document fee by prospective bidders.
- Whenever / wherever Tenders documents are made downloadable from the website, those interested can download the document and pay the tender fee prior to submitting the offer. Only those offers to be accepted where the tender document fee has been paid – either while requesting for the tender document or prior to submitting the offer - if the document has been downloaded from the website
- If /as and when the tender documents are made freely downloadable from website as per policy and no tender fee – all offers submitted to be received / accepted for consideration.

5. TENDER TYPES- PROCESSES

- **Selective tender :**

Applicable for Purchases from Rs.25001/- to Rs.10.00 lakhs, depending on the nature of the item, the number of approved sources etc - Approved Supplier List (ASL) – Minimum 05 known / approved sources then selective tender may be followed. If 05 approved sources are not known – Web or a public tender to be followed.

In future on website being upgraded, Selective Tender may also be uploaded on website which will not be open to others for participation – (a remark to this effect will be mentioned) but for public information only. The approved Supplier List should be update periodically on an annual or biennial basis.

Selective Tenders above Rs.10 Lacs will have the prior approval of competent authority and recording reasons for the same.

- **Web tender:**

All tenders above Rs.10 lakhs and upto Rs.40 lakhs will be put up on the website.

Notwithstanding above, a list of regular consumption items / group items of each unit will be displayed on Website on continuous basis for wider public information and for the interested / prospective vendors to register with respective units for future supply of such items /services

➤ **Public tender**

Applicable for items whose estimated tender value is Rs.10.00 lakhs and above.

In addition to publishing “NIT – Notice Inviting Tender” in print media (regional or on all India basis as deemed suitable by the competent authority), the tender Notice will also be hosted on the website.

Notice of tender will also be sent to the Known / Registered/ approved suppliers against the item/ services.

6. BID FORMATS

- There will be 2 types of bid formats.

Single bid system: This will be applied only to the selective tenders on case to case basis where all the parties for selective tender are also considered as the approved sources. The selective Tenders can also be followed in 2 bid pattern.

Two bid system: Quotations should be asked in two bids viz. Technical bid and Price bid and should be applied to all the web tenders and public tenders.

The selection / rejection/ minimum qualification etc. may be indicated in tender documents for bidders to respond in technical bids . The Turnover / Experience set as qualifying criteria should be reasonable - say min. annual turnover be approx. 1/3rd of estimated contract value or have 2-3 years of experience etc., The EMD /Tender’s Status Form /acceptance of all terms – Technical & commercial will be part of technical bid offer

Unit Head /GM and above may authorize single / 02 bid tenders

7. TIME FRAME FOR QUOTES

- Generally the time frame for submission of quotes against various tender types will be as under:

Selective Tender	Minimum 10 working days
Web tender : approx.	10- 14 working days
Public Tender : approx.	21-28 working days

- Competent authority – Unit Head / GM and above reserves the right and may authorize variations in the time frame from the above due to legitimate reasons / circumstances and merit of case

8. EXTENSION OF TENDER DUE DATE

- In case of selective Tender, extension of tender due date should be notified to all the bidders sufficiently in advance of the revised due date (If the vendor wish to make /submit new offer during this extended period –same should be acceptable – and earlier offer can be returned or not to be considered – if new offer has been submitted.
- In case of web tender and public tender notification of extension should be through the publication of extension notice on website apart from intimating the bidders whose quotes have been received and efforts should be made to contact prospective vendors and if need be publish the corrigenda / tender extension notice through print media.
- Purchase Division Head / Unit Head may authorize extension of Tender due date for insufficient responses or otherwise on merit of case .
- Minimum extension should be for a period of 5 working days.

9. BID RECEIVING/OPENING (BOTH TECHNICAL- AND PRICE BID)

- Both Technical & Price bid will have to be submitted simultaneously unless specified otherwise.
- Effort to be made to secure minimum 3 quotes./ responses
- In the event 3 responses are not received, extension should be considered. Thereafter, irrespective of number of responses, quotations can be opened and order can be processed / finalised based on the quotation/s received and reasons recorded.
- If proprietary / brand items are to be procured then 3 quotes are not required. written price quotation must be obtained from the source.
- Respective buyer / Purchase sections will open bids in presence of rep of finance (if reqd user section rep can be co-opted) and bids/covers/offers letters to be initialed.

All the participating bidders are welcome to be present for opening of Technical and price bids – and they must be informed accordingly either per tender document itself or separately about price bid opening.

10. EVALUATION OF TECHNICAL- / PRICE BIDS

Evaluation of technical portion of the bids will be done by the requisitioning/user department. with co- opted Team members.

- Any clarification regarding Technical issues should be taken up with the vendor prior to the opening of Price Bids including facility visits etc..
- Evaluation should conclude and convey technically qualified and non qualified bidders with reasons.
- Pre approved bidders for a specific item (from the approved supplies list) need not be technically evaluated again
- Evaluation of commercial terms will be done by Purchase/finance representative/s.
- Nominated representative/s of evaluation team formed for the purpose by Unit Head / competent authority should submit the evaluation report thereof .

- Cost of deviation if any, mentioned in the tender document should be loaded / factored in during comparison of bids.
- On review / acceptance of technical evaluation the competent authority will approve the opening of the price bids.
- If for any reason the L1 backs out, only the commercial bids should be called from the technically qualified parties except the L1 party who backed out. L1 party who backs out should be blacklisted.

11. SAMPLING

- Requisitioner / Indenter **to intimate at requisitioning stage itself** whether samples are to be called for evaluation against the Tender .
- Accordingly samples will be asked for at tender stage or during Technical evaluation stage for the required purposes.
- Samples to be properly coded and blind sampling to be resorted to wherever required and practical as part of technical evaluation of samples.
- .A confirmation may be obtained that the samples are as per specifications asked /and supplies will be as per specifications or approved samples

12. PRICE PREFERENCE

- Price preference as applicable (15%) from time to time as per guidelines & directives will be followed for the SSI/ NSI / equivalent units and to those applicable as per directives in force.

13. PURCHASE PREFERENCE

- Applicable to tenders above Rs.5 crores and/or above but not exceeding Rs 100/- crores.
- Purchase preference as applicable (10%) from time to time will be followed in respect to all Central Public Sector Enterprises (CPSE) and their subsidiaries (i.e. where PSE owns 51% or above share holding) but not to a joint venture owned by a PSE and a private sector partner.
- A minimum value addition 20% by the CPSEs / subsidiary companies by way of manufacturing and/or services would be a prerequisite for availing of purchase preference.

Purchase preference and price preferences are different policy statements and competent authority, if necessary , should seek the current & prevailing guidelines whilst applying same during the contract award process.

14. EARNEST MONEY DEPOSIT (EMD)

- Will be applicable for all tenders above Rs.2.00 lakhs .
- Will be applicable to selective tendering If deemed suitable by Competent authority or waived on merit (case to case basis)
- SSI/equivalent units,charitable institutions/Social welfare organisations / widows associations / A-I Co-op society/Handicraft Boards / Khadi village, cottage industries, National consumers cooperative federation and any “not for profit “ organisation of social cause will be exempted from EMD at the sole discretion of competent authority.
- EMD will be applicable @ 0.5% of the **estimated tender value** and in any case not be higher than Rs 50000/-. The EMD deposit should be by way of cash, pay order, demand draft or ECS and will be interest free.- competent authority may decide to accept cheque as EMD only as exception and for the reasons recorded thereof on merit of case . EMD will be interest free.
- EMD amount to be mentioned in terms of absolute value in tender document.
- EMD /Security deposits / outstanding payments etc..are not to be adjusted /accepted as the EMD . The refund authorization for EMD, upon release of a PO , will be done for all the vendors who have participated in the tender except the successful one/s.
- Successful bidder to be refunded EMD after submission of Security deposit/performance guarantee etc..
- Unit Head / GM and above will be the competent authority to waive the EMD clause / applicability / etc...after recording reason/s thereof.
- If at any stage the vendor withdraws the EMD then the tender submitted by the vendor is no longer valid.

15. SECURITY DEPOSIT

- SSI/ equivalent units, charitable institutions/Social welfare organizations/widows associations/A-I co-op society/Handicraft Boards/Khadi village, cottage industries, National consumers cooperative federation and any “not for profit “ organisation of social cause will be exempted from Security Deposit.
- Security Deposit will be applicable at the rate of 5% **of the PO value** and can be in the form of Bank Guarantee, Demand draft, pay order or ECS or may be adjusted from outstandings and the Security deposit will be interest free.
- Security Deposit will be refunded on completion of receipt formality/GRN/satisfactory services rendered, and discharge of PO / contract obligations as agreed /determined.
- Unit Head/GM and above / will be the competent authority to waive the security deposit clause and reason/s recorded thereof.
- In case of extension of contract, the duration of Security Deposit should be extended atleast equal to the extension period of contract.

16. PERFORMANCE GUARANTEE

- Wherever applicable like in Annual Maintenance Contracts (AMC) and service contracts Performance bank guarantee to the tune of 5% of the

purchase order value, valid through the warranty/service period may be obtained from the vendor in the form of bank guarantee, Demand draft, pay order or ECS.

- Effective from the date of start of warranty or date of commissioning.
- Performance guarantee to be refunded on expiry of the Warranty /service period. and completion of PO /contract obligations as agreed /determined
- Unit Head / GM and above will be the competent authority to waive the performance bank guarantee and reason/s recorded
- In case of extension of contract the duration of Performance guarantee should be extended at least equal to the extension period of contract

17. PENALTY CLAUSE

- Incorporation of appropriate penalty clause if any, for service level to be given by the Requisitioner / user department in the Requisition.
- Unless otherwise notified in the tender the rate of penalty to be levied for delayed delivery will be @ 0.5% per week or part thereof of the value of the undelivered portion of the goods (excluding taxes and delivery charges) subject to a maximum of 5% of the value of the undelivered part which will be recovered from security deposit or from amount due to vendor after due notification to vendor.
- The quantum of penalty to be levied will be approved / determined/ waived / exempted by the competent authority – unit Head /GM and above with reasons recorded and Finance kept advised.

18. TERMINATION / EXIT CLAUSES

- Where ever applicable PO to include early termination clause in the event of unsatisfactory performance, giving maximum 15 days notice.
- Where ever applicable PO to include exit clause of termination by giving maximum 1 months notice without assigning any reason or due to change of HCI requirement
- Depending on the nature of the items/services, Unit Head/ GM and above will be the competent authority to decide the termination/exit period if it varies from the above. In case of extended tenders shorter termination period say 15 days may be considered for regular consumption items.
- Depending on merit of case / project – job contract work , suitable clauses /points on confidentiality of contract administration / Buyer indemnity exemption / liquidity damages & risk purchases may be incorporated.

19. NEGOTIATIONS

- Negotiation should be an exception rather than a rule and this may be suitably mentioned upfront in tender enquiry document.
- Negotiations to be held with L1 only, if required and/or in case of proprietary items or items with limited source.
- The requirement of more than one source of supply and the intention to split the order among the bidders should be mentioned upfront in the tender docs
- Negotiations with other than L1 will be held only if the tender quantity is to be split amongst more than one vendor due to any reasons such as capacity constraints, requirement of user department or for the business contingency reasons.

- The final decision/adjudication regarding the proportion of distribution of quantities will be decided by the competent authority - unit Head /GM and above for a fair and equitable distribution.
- The Purchase member or the chairman of TC will convene and conduct the negotiation meetings and Finance and user will be the negotiating Team members.

20. COMPOSITION OF TENDER COMMITTEE (TC)

- Composition of Tender Committee (TC) will be for tender estimated value of 2.00 (Two) lakhs and above.
- The composition of TC will consist of members of Purchase, Finance, user deptt or other co-opted member.
- **Representation in Tender Committee should be as per levels specified in Annexure – A (TC composition and approval limits)**
- .TC report will normally be prepared by purchase representative and referred to other TC members.- TC members can also jointly discuss and sign off the TC Report/ recommendations.
- Once the TC members concur with the report, it will be forwarded to the competent authority for final award as per Annexure A.
- For some reasons If the competent authority also happen to be a TC member (given the present organization structures post disinvestment in HCI) then final award will be by the next higher approving authority.
- Other Members can be co-opted on TC – if /as asked by the Chairman of TC and for the Technical evaluation of bids.

21. ROLE OF TC MEMBERS

To enumerate - besides other professional duties, respective TC members' illustrative roles will also be :

Role of Purchase :

To recommend and facilitate / take decision regarding tender processing and sourcing such as type of tender to be floated, number of vendors to whom enquiry should be sent etc.

Evaluation of terms and conditions of tender.

To prepare comparative statement/ TC Note.

Role of Finance :

To ensure budget availability. and funds provision

To verify the amount of taxes applicable if required.

Vetting the comparative statement.

Evaluation of commercial / price bids if / as required.

Role of user :

Vetting of technical specifications in the TC.

Vetting the comparative statements.

The TC members are also expected to Vet the important tender document (as /if needed) and provide inputs for issuance of tender . The TC members are to deliberate /recommend the award of contract unanimously – and if as exception / for specific reason have dissenting views , same to be recorded and final award will be given by the competent authority taking note of inputs .

22. EXTENSION OF ORDER PERIOD

- The purchase order /agreement and contracts covering a specific period may be extended for a further period of maximum one year subject to the following:
 - Initial order was finalised after following the procedure normally required for such order
 - The available value / quantity will be adequate to cover an extension period.
 - Order value may proportionately be amended for the extended period.
 - There is no change in other terms and conditions considered disadvantageous to HCI interest.
 - Such extensions are approved by the competent authority as per Financial powers- Refer Annexure A.
 - Short term extension of period only, within the original PO value / amount, can be considered/ approved by unit Head /GM.

23. PROCUREMENT OF PROPRIETARY /BRAND APPROVED ITEMS

- The onus of declaration of item as “Proprietary”/ “Brand approved” is with user department
- The “Proprietary”/”Brand approved” items can be of any value.
- In case item is declared as “Proprietary”/ ”Brand approved” by user, but Purchase Division has additional input where Purchase Officer opines that acceptable equivalent is available in market, then such information may be made available to the user department for guidance. After getting the information from Purchase Division, user department shall decide whether to purchase the item as “Proprietary” or to go in for competitive bids, in case equivalent is acceptable. The decision of user shall be final.
- If proprietary / standard / brand items are to be procured, then 3 quotes are not necessary.
- **TC procedure not required if the item / product / service is declared by the user department as ” proprietary/Brand approved” and procurement is through manufacturer / designated distributor /dealer by the manufacturer . If no specific distributor /dealer has been assigned and more than one distributor / dealer is available , then TC will be required to follow T.C. procedures.**

24. DGSD CONTRACT RATES

- There can be single or multiple sources for procurement of item through DGSD contract rates.
- Purchase Office at appropriate level can process and seek approval of competent authority.
- **TC procedure not required.**

25. SSI / RESERVED INDUSTRY SECTOR PROCUMENT

- Tenders be sent to only SSI units for all those items that are listed to be procured from SSI as per directives.
- The same also applies to other reserved industry sector procurement as per the directives from time to time for such category of items / services
- Wherever the requirement cannot be met through SSI units / reserved industry sector units, tenders may also be sent to others units in the line.

26. REPEAT ORDERS

- Repeat order will be one of the acceptable ways of procurement provided the following conditions are met
 - Initial order was finalised after following the procedure normally required for such order.
 - Combined quantity under repeat order does not exceed the quantity ordered against the initial order.
 - Basic price/terms remains unchanged (except clearly identifiable taxes). Market enquiry should be conducted before awarding repeat order to ensure that there is no downward revision in basic price. The findings of market enquiry should be recorded in writing.
- **Maximum of Two repeat Orders within 2 years of the initial order can be approved by the Competent Authority as per annex A, with condition that combined qty being repeated do not exceed the original ordered qty, (TC Procedures not required)**

27. EMERGENCY PURCHASES / WAIVERS

- May become necessary in situations such as nil stock, adhoc arrangements for immediate supply / services in emergency or for operational reasons where normal tender procedure cannot be followed due paucity of time etc.
- Value Limits for Emergency procurement are as under:

- Unit Head Rs 50,000
- GM – HO (C & P or FIN) Rs1,00,000

- Vice President (HO Level) Rs 2,00,000
 - President Rs 5,00,000
 - MD /CMD Above Rs 5,00,000
- The reasons for urgency / waivers are to be recorded properly. The waivers at unit level (above Rs 25,000) to be reported to HO on a monthly consolidated basis.
- Waivers / Emergency Purchases above Rs 2.00 lacs will be with the concurrence of GM –Finance.

28. PURCHASE ORDER AMENDMENTS

PO amendments may be necessary in following specific case besides other reasons such as change in description /specifications etc...

- Should be raised whenever the period of contract is extended.
- Should be raised whenever there is a change in rate/ value of PO.
- Should be raised whenever there is any change in any terms and conditions.
- Should be raised when any increase/addition in Government levies, taxes, surcharges etc become applicable.
- **No TC required for amendments of – Statutory changes and extension of period within the original PO value as approved by competent authority.**

29. GOVERNMENT LEVIES / TAXES ETC

- Government levies, taxes, surcharges etc should not be evaded / avoided by resorting to any unlawful or unethical business practice. etc.

30 . PAYMENTS

- Will be done by Finance & Accounts as per PO terms.
- Will be made by Cheque / Draft / or by Electronic Clearing System (ECS) or Electronic Fund Transfer (EFT) - as per progressive implementation of process as laid down by CVC in this regard.
- The **normal payment terms will be 30 days credit /60 days credit** as per industry norms.

31. ADVANCES

- Advance payment should generally be discouraged.
If payment of advance is unavoidable the same can be allowed and the company's interest must be safe guarded. Long term advances must be covered with BG covers wherever necessary. The competent authority to authorize advance payment will be Unit Head /GM and above as per Financial powers (Refer Annexure A) or as per The TC recommendations.
- Payment terms must be reflected on the PO.
- Once the payment terms are reflected on PO, the proforma /advance Payment should be certified by the signatory of the PO.

- Unit Head / GM and above will be the competent authority to waive any of the conditions above.
- All advances be reviewed periodically by the accounts section and outstanding advances must be promptly taken up with vendors directly or through respective purchase sections.

32. EXCHANGE RATE

- The Import cases/ quotes comparison may require the multiple currency exchange rate conversion into Rupee Value (unless quotes are asked for in single currency) to determine the bidder's L1 status .
- The published Exchange rate on the day of opening of the price bid will be used for determining L1.The source of the exchange rate to be recorded . The review of the exchange rate , before award of contract , may be undertaken with the approval of the competent authority empowered to award contracts under exceptional circumstances like a sudden devaluation of a currency by a country.

33 IMPORT /FOREIGN ORDERS

Whenever a foreign source is in consideration for release of order , some of relevant aspects – License / Import duty applicability- percentage / contract basis - FOB or CIF / Insurance agency & Underwriters / Freight – Transportation / Port of shipment - Delivery / Receipt port - customs clearances and Export Obligations – Duty Exemptions etc...if any , .in terms of latest provisions of Import /export Policy may be ascertained prior to commitment besides the Mode and manner of the Payment. decided by Finance & Accounts Dept.

34 REPRESENTATIVES / AGENTS

The preferred option will be to deal directly with Principal / Manufacturer . Where this not feasible and Agents / Representatives come in picture on behalf of their principals , to maintain the sanctity of tender process , the following note may be taken before award of the contracts

If the Indian Agent makes the offer on behalf of the foreign source /principal , efforts should be made to ascertain the genuineness of Indian Agent - nature of services to be provided by them /registration if any with regulating bodies /agreements with Principals etc..

The Agent / Representative can make offer only on behalf one principal in a particular tender – although they may be representative of more than one foreign source . Similarly either the Principal / manufacturer or his authorized representative can make the offer – both cannot make offer against same tender / item at one time,

35 COMMON DIRECTORS - COMPETITIVENESS RESONABILITY

To see that Competitiveness of tender process is not diluted, it will be worthwhile to see the bidders background in terms of Management–Ownership / Board of Directors – common directors if any on multiple company Boards , particularly in projects , with a view that no undue advantage is being exploited by such bidders.

36 CONSULTANTS

- Consultants to be appointed only if essential and must have the Management approval – at least at VP(HO) Level or as per applicable Administrative orders.
- The consultant to be hired on competitive quotes basis..
- Care may be taken to see that consultant /affiliates so hired for project /assignment do not directly affect /conflict with other assignment of the consultant or its affiliate or doesn't dilute the assignments obligations.
- Appropriate checks and milestones may be set for different stages of contract assignment given to the consultant – and same may be linked to staggered payments , if any.

37. STANDARDISATION

- Some items like PCs, office / Plant & workshop equipments/ Furniture, etc. are used by multi Sections /departments/ units. Standardisation for procuring such items helps in many ways. As and when situation demands, GM –C & P / VP Tech or Unit Heads Head may appoint a Committee for standardising a particular item and the said standardisation will follow TC process /Approval of the competent authority.
- The purchase of the items, so standardised, shall be processed in line with the recommendation of the Standardisation Committee.

38. VENDOR REGISTRATION / DEVELOPMENT / TRIAL ORDERS

- A public Notice on Vendor Registration will be displayed on website on continuous basis.
- A consolidated list of items – group items / services which are procured for regular consumptions by the respective units will be displayed on website to seek the response for registering / enlisting as “prospective supplier” .
- Such prospective suppliers after evaluation process will be upgraded to “approved suppliers “ listing..
- The vendor Registration / development thus will be a continuous process
- To facilitate vendor development / transformation from “prospective “ to “approved” suppliers status – Unit Heads / GM and above can authorize placement of trial orders subject to qty not exceeding the 10% of annual requirement and rates not higher than the current procurement price.
- Unit purchases to maintain proper records on vendor registration –vendor development and trial orders , if any thereof...

39. SPECIAL PROCUREMENTS

- As per Govt. directive to procure from select organisations such as SSI units, Handicraft Boards, Khadi Village and Cottage Industries, / Govt Nodal agencies – Kendirya Bhandar / Super Bazar / NCCF etc. Or from social welfare organisations / handicapped / blind associations / women / widows associations / Air India Co-op. Societies, etc. with a view to making contribution to social causes, procurement shall be as per prevalent practices or as decided by the / Vice President / President HCI on behalf of HCI Management.

40 SEASONAL PROCUREMENT

Wherever applicable – for items of seasonal / cyclic nature – the quotes can be invited , if deemed suitable on “Peak” and “off peak” seasons rates basis – specially if it is difficult to obtain long term / annual rates due to seasonal fluctuations and it is advantageous to have seasonal rates.

41 . MARKET SURVEY /SPOT PROCUREMENT

The unit Head / competent authority in special and relevant circumstances may constitute a committee of rep of purchase /accounts /user or co-opted member to carry out market survey. The Market Survey Committee may also be formed to obtain on the spot quotations. The Unit Head/Competent Authority may in such cases authorize finalization of procurement decision based on spot quotes so obtained subject to maximum value of Rs 2.00 lacs only . The case value above Rs.2.00 lacs will be referred to the Sr.Vice President/Managing Director for his consideration.

42. EXCESS SUPPLY

- Maximum of 5% of the PO quantity/ value can be accepted as excess supply against the PO.
- The Vendor’s invoices for the excess quantity of 5 % can be processed for payment by Finance directly (based on receipts) without secondary reference or amended PO from Purchase.

43 AWARDED CONTRACTS INFORMATION

To achieve complete transparency in tender process / decision making , the participating bidders may be advised about the conclusion and finalization of tender /contract while recognizing /appreciating their interest and participation in the process. It will be mandatory to follow this in all the tenders valued above Rs 10 Lacs . As and when HCI have a fully upgraded Website the information/details can also be uploaded on the website for public information.

44. DISPUTES & ARBITRATIONS

All the major cases of disputes and Arbitration pertaining to Contracts and Purchases – Progress and Development thereof may be reported by the Units to HO.

45. SURPLUS /OBSOLETE/SCRAP - DISPOSAL

User Depts. shall review the Inventory / stock / items and equipments positions regularly and take appropriate action for declaring items as obsolete /surplus / and raise scrap advise for disposal action as per the practice / delegated Administrative & Financial Powers in this regard. The disposal of items/ Materials will be through Tender Process/ Auction etc. to highest Bidder (H-1) Units Heads will be competent to authorize such disposal/sale valued upto value of Rs. 2.00 Lacs on recommendation of Committee of User /Purchase and Finance. The cases above Rs. 2.00 lacs to be forwarded to VP/MD for approval.
