

**PANJAB UNIVERSITY, CHANDIGARH
OFFICE OF FINANCE & DEVELOPMENT OFFICER**

No. 2202-2401/FDO

Dated: 12/5/16

To:

All the Chairpersons/
Coordinators of All Centres/
Heads of the Departments/
Branches/Directors of Regional Centres,
Panjab University, Chandigarh.

Sir/Madam,

Subject: - Compliance of Procedure and Rules with Respect to
Procurement of Goods and Services.

While dealing with various cases of procurement of goods and services initiated by various departments of the University, it has been observed that the provisions as incorporated in Chapter-27 of P.U. Accounts Manual covering the aforesaid subject matter are not being followed properly. As a result of which at many occasions, special sanction had to be obtained in relaxation of rules from the Vice-Chancellor which is not a desirable practice.

Through this circular attention is invited to following specific provisions where frequent deviations from standard procedure/rules were observed.

1) Deposit of Earnest Money (EMD):

As per Para 27.15 of P.U. Accounts Manual, Earnest Money Deposit/Bid Security is to be obtained whenever bids are to be invited either through press tender or through limited tender enquiry. There are only two exceptions where EMD is exempted as follows:

- Where the bidder is a registered Small Scale Industrial Unit as per the instructions issued vide No.4695-4895/FDO/F-110 dated 21.12.2015.
- Where the bidder is registered with the Department in terms of Para 27.5 of P.U. Accounts Manual.

2) Two Bids System:

As per Circular No.1815-2014/FDO dated 30.03.2015 where either the estimated value of individual item to be purchased exceeds Rs.50,000/- or the total estimated value of the purchase as a whole exceeds Rs.2.00 lacs,

the department is to follow two bids system (i.e. separate Technical and Financial Bid) for inviting tender/quotations.

3) Lack of Competition:

Where the valid tenders (technically qualified bids) found to be less than three, then as a matter of course, the bids are to be re-invited. The rule 27.14.5 of P.U. Accounts Manual provides for special circumstances under which a department may process the purchase on the basis of less than three valid bids. In case a department wishes to invoke the aforesaid provision, then the concerned Purchase Committee is to give a certificate of compliance of the conditions as incorporated in the rule 27.14.5. ibid.

4) Evaluation and Ranking of Financial Bids:

To evaluate and rank the financial bids in order of the quoted price, a comparative statement is prepared by the concerned department. In this statement comparison of equated prices are made for fair evaluation. Equated price here means the basic price in Indian rupees plus all applicable taxes and other cost differentials on account of special conditions imposed by the bidder. Eg. one bidder may quote price inclusive of freight charges (i.e., FOR destination). The other bidder may quote price exclusive of freight charges (i.e., FOR Works). In latter case, the effect of additional cost to be incurred by the University on freight charges has to be included in cost for comparison of prices. The same principal shall be followed for any other special condition also.

Besides above, department may also take due care regarding compliance of provision of Web based publicity of tender document (rule 27.9.5 ibid) and the prescribed time to be allowed to bidders for submission of bids (rule 27.9.1 ibid).

It is, therefore, requested that due care may be exercised while processing the cases of procurement of goods and services to ensure the compliance of all the provisions of P.U. Accounts Manual. Your cooperation in this regard will help this office to timely process all such cases in most efficient manner.

Yours sincerely,


Finance & Development Officer

✓ Copy to: Assistant Controller (Local Audit) with respect to Memo No .ACLA/2016/83 dated 01.02.2016.