

No.F.12/2/2011-AC/DSTU/712
GOVERNMENT OF NATIONAL CAPITAL TERRITORY OF DELHI
FINANCE (ACCOUNTS) DEPARTMENT

'A' Wing, 4th Level, Delhi Secretariat,
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Dated: 08.06.2011

OFFICE MEMORANDUM

Sub.: **Timely initiation of process of procurement and observance of provisions laid down in GFR 2005, while procuring goods.**

Every department of the Government and autonomous institutions/bodies subordinate to the government procure goods either for the day to day running of the departments /institutions or for implementation of plan schemes.

While examining the proposals of different departments seeking concurrence in regard to the procurement of goods including, stationary, furniture/fixture, lab/office equipment etc., the following shortcomings have been observed :-

- I. In certain cases **assessment of goods actually required** is not carried out by the officers, concerned, and goods are procured much in excess of the actual/genuine requirement leading to wastage of precious public funds.
- II. In a number of cases the process of **procurement is not initiated well in time** and procurement of goods is made at the fag end of the year.
- III. Procedure as **prescribed in GFR 2005** is not followed in quite a few cases, rendering the purchase process irregular.

Attention is invited to the provision of Rule, 137 of GFR which lays down the principles to be followed by authorities who have been delegated financial powers for procuring goods in public interest. For ready reference Rule 137 is reproduced :-

Rule 137. Fundamental principles of public buying -

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

- (i) the specifications in terms of quality, type etc., as also quantity of goods to be procured, should be clearly spelt out keeping in view the specific needs of the procuring organizations. The specifications so worked out should meet the basic needs of the organization without including superfluous and non-essential features, which may result in unwarranted expenditure. Care should also be taken to avoid purchasing quantities in excess of requirement to avoid inventory carrying costs;
- (ii) offers should be invited following a fair, transparent and reasonable procedure;
- (iii) the procuring authority should be satisfied that the selected offer adequately meets the requirement in all respect;
- (iv) the procuring authority should satisfy itself that the price of the selected offer is reasonable and consistent with the quality required;
- (v) at each stage of procurement the concerned procuring authority must place on record, in precise terms, the considerations which weighed with it while taking the procurement decision.

For ensuring that the procurement of goods is carried out in a fair, transparent and equitable manner procedure as laid down in GFR Rule 145, 146, 150 & 151 is required to be followed depending upon the value/nature of the goods to be purchased/procured and the circumstance under which procurement is being made. The procurement of goods is governed, *inter alia*, by the following provisions of GFR :-

S.No.	Monetary limit for purchase of goods	Procedure to be observed	Relevant provision of GFR
1.	Purchase of goods upto the value of Rs. 15,000/- on each occasion.	Goods may be purchased without inviting quotations subject to the certificate to be recorded by the competent authority.	Rule-145 of GFR, 2005
2.	Purchase of goods costing above Rs.15,000/- and upto the estimated value of Rs. One Lakh on each occasion.	Goods may be purchased on the basis of the recommendations made by the Local Purchase Committee after conducting the survey of the market.	Rule-146 of GFR, 2005
3.	Procurement of goods upto the estimated value of Rs. 25 Lakh	Goods may be purchased by observing Limited Tender Enquiry. NIT may be sent /circulated to the suppliers/vendors registered in accordance with the procedure laid down in GFR 142.	Rule-151 of GFR, 2005
4.	Procurement of goods above the estimated value of Rs. 25 Lakh	Goods may be purchased by publication of Open Tender Enquiry in print media.	Rule-150 of GFR, 2005

Procurement of goods under rate contract may be carried out in accordance with the procedure laid down in Rule 147 of GFR 2005. Further Procurement of goods through single tender inquiry may be done only in cases/situations which have been specified in GFR 154 and subject to conditions prescribed therein.

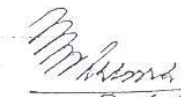
For ensuring that the purpose for which purchases are made is duly served, and that there is no avoidable delay, it is necessary that the procurement process is initiated well in time. The officers, concerned, should therefore carry out proper assessment of the actual/genuine requirement of goods for running the respective offices/departments and for implementation of plan schemes as the case may be and initiate the tendering process by observing the procedure laid down in GFR 160 and in accordance with provisions of GFR-2005 referred to in the preceding paragraphs after seeking the approval of the competent authority. While carrying out the assessment of actual requirement the quantity of goods

/stores available in stock and the consumption /utilization trend of previous years should be taken into account.

Accordingly, all the Administrative Secretaries/HODs are requested to ensure that the officers dealing with procurement of goods should initiate the proposals well in time, after carrying out proper assessment of actual quantity (ies) of goods required. The Administrative Secretaries are further requested to ensure that proper procedure as laid down in part I of Chapter 6 of GFR-2005 is followed while procuring goods, whether for day to day running of offices or for implementation of government schemes, so that goods of the requisite quality/specifications are procured at the most competitive prices, in a fair/ transparent manner by affording equitable treatment to all the suppliers/vendors in the field. It may further be ensured that wasteful expenditure is not incurred, at all, by purchasing quantity (ies) of goods in excess of actual / genuine requirement of the offices/departments/schemes.

Attention is also invited to instructions issued by the Department of Information & Technology vide their Circular No. F.10(9)/2007/IT/3725-45 dated 02.07.2009 (which was issued in pursuance of Cabinet decision No. 1332 dated 24.12.2007) and order No. F.10(9)/2008/IT/P.II/7946-63 dated 22.12.2009, wherein it has been laid down that e-Procurement system should be compulsorily implemented by all the Departments for all tenders over-Rs. 2-Lakh in respect of procurement of goods, services etc.

The issues with the approval of Principal Secretary (Finance).


9.6.2011
(B.L.Sharma)

Spl. Secretary (Finance)

To

1. All Pr. Secretaries/Secretaries/HODs of Govt. of NCT of Delhi.
2. All Dy. Secretaries, Deptt. of Finance, Govt. of NCT of Delhi.

Copy to :-

1. Pr. Secretary to Chief Minister, Govt. of NCT of Delhi, Delhi.
2. PS to Chief Secretary, Govt. of NCT of Delhi, Delhi.
3. PS to Pr. Secretary (Finance), Govt. of NCT of Delhi, New Delhi.
4. Addl. Secretary (Finance), Govt. of NCT of Delhi, Delhi.
3. Controller of Accounts (Pr. Accounts Office), Govt. of NCT of Delhi.
4. Controller of Accounts (Audit), Govt. of NCT of Delhi.